

## IMPORTANT NOTICE

**THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES AND WHO ARE NOT U.S. PERSONS.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the prospectus (the “**Prospectus**”) following this page and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined below), the Guarantor (as defined below) and the Managers (as defined below) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE ATTACHED PROSPECTUS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”)), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE OR ANY OTHER APPLICABLE RULES OR REGULATIONS MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The Prospectus and the offer when made are only addressed to and directed at persons in member states of the European Economic Area (“**EEA**”) who are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (as subsequently amended, the “**Prospectus Directive**”) (“**Qualified Investors**”). This document may not be acted on or relied on (i) in the UK, by persons who are not relevant persons (as defined below), and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors.

**CONFIRMATION OF YOUR REPRESENTATION:** In order to be able to view the attached Prospectus or make an investment decision with respect to the securities described in the attached Prospectus, investors must be outside the United States and must not be a U.S. person (as defined in Regulation S). You have accessed the Prospectus on the basis that (a) you consent to delivery of the attached Prospectus by electronic transmission, (b) you are not a U.S. person (within the meaning of Regulation S) or acting for the account or benefit of a U.S. person and the electronic mail address that you have given us and to which any e-mail attaching this Prospectus has been delivered is not located in the United States (including the State and District of Columbia), its territories, its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (c) if you are in any member state of the EEA other than the UK, you are a Qualified Investor and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience in matters relating to investments or (ii) is a high net worth entity falling within Article 49(2)(a) to (d) of the Financial Services and Market Act (Financial Promotion) Order 2005, all such persons together being referred to as “relevant persons” and (e) you have understood and agree to the terms set out herein.

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession the attached Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus, electronically or otherwise, to any other person. If you receive this Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored and rejected. If you receive this Prospectus by e-mail, your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by Aryzta Euro Finance Limited (the “**Issuer**”), ARYZTA AG (the “**Guarantor**”) or BNP Paribas, J.P. Morgan Securities plc and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) (together, the “**Managers**”) that would, or is intended to, permit a public offering of the securities, or possession or distribution of the attached Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of any of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer in such jurisdiction.

This Prospectus has been sent to you in an electronic format. You are reminded that documents transmitted in an electronic format may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Managers or their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Issuer, the Guarantor, the Managers or any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between this Prospectus distributed to you in electronic format and the hard-copy version.

This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transactions. Any comments or statements made herein do not necessarily reflect those of the Managers, their respective subsidiaries and affiliates.

## PROSPECTUS



# ARYZTA EURO FINANCE LIMITED

*(incorporated with limited liability in Ireland)*

## €250,000,000 Perpetual Callable Subordinated Securities unconditionally and irrevocably guaranteed on a subordinated basis by ARYZTA AG

*(incorporated with limited liability in Switzerland)*

### Issue price: 99.540 per cent.

The €250,000,000 Perpetual Callable Subordinated Securities (the “**Securities**”) are issued by Aryzta Euro Finance Limited (the “**Issuer**”) and unconditionally and irrevocably guaranteed by ARYZTA AG (the “**Guarantor**”).

The Securities constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves as described in Condition 3 (*Status and Subordination of the Securities*). The obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor as described in Condition 4 (*Guarantee*).

The Securities are perpetual securities which have no fixed maturity and holders do not have the right to call for their redemption (other than pursuant to Condition 11 (*Events of Default*)). The Issuer may, at its option, redeem all, but not some only, of the Securities on the First Call Date (as defined in the Conditions) or any Interest Payment Date (as defined in the Conditions) thereafter at their principal amount plus any accrued interest and any outstanding Deferred Interest Payments (as defined in the Conditions). In addition, the Issuer may, at its option, redeem all, but not some only, of the Securities in the event of certain changes as described under Condition 6 (*Redemption and Purchase*), including, among other events, upon the occurrence of a Gross-Up Event, Change of Control Event, Tax Event or Accounting Event (each as defined in the Conditions). Unless a Compulsory Distribution Payment Event has occurred (pursuant to Condition 5 (*Interest*)), the Issuer may determine in its sole discretion not to pay all or part of the Interest Amount (as defined in the Conditions) falling due on any Interest Payment Date (as defined in the Conditions). Additional interest will accrue on each Deferred Interest Payment and such Deferred Interest Payment and additional interest thereon will be payable in accordance with Condition 5.4 (*Payment of Deferred Interest Payments*).

This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC, as amended (including by Directive 2010/73/EU, to the extent that such amendments have been implemented in a relevant member state of the European Economic Area) (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the official list of the Irish Stock Exchange (the “**Official List**”) and trading on its regulated market (the “**Main Securities Market**”). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Irish Companies Registration Office and will be delivered to the Registrar of Companies in Ireland for registration, in each case, in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland.

The Prospectus constitutes a prospectus for the purpose of the Prospectus Directive.

Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on the Main Securities Market. The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for the benefit of, US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See “*Subscription and Sale*” below.

The Securities will be issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof and will be represented upon issue by a single global certificate (the “**Global Certificate**”). The Global Certificate will be deposited with and registered in the name of a nominee for a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

**An investment in Securities involves certain risks. Prospective investors should ensure that they understand the nature of the Securities and the extent of their exposure to these risks. Prospective investors should have regard to the factors described under the heading “*Risk Factors*” on page 11.**

### *Joint Lead Managers and Joint Structuring Advisers to the Issuer*

**BNP PARIBAS**

**J.P. Morgan**

*Joint Lead Manager*

**Rabobank**

The date of this Prospectus is 19 November 2014.

## IMPORTANT INFORMATION

The Issuer and the Guarantor (together, the “**Responsible Persons**”) accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

The Managers (as described under “*Subscription and Sale*”, below) 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 Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Securities. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Securities or their distribution.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Managers.

Neither this Prospectus nor any other information supplied in connection with the offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Securities should purchase the Securities. This Prospectus does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Prospectus nor any other information supplied in connection with the offering of the Securities constitutes an offer or invitation by or on behalf of the Issuer, the Guarantor or any of the Managers to any person to subscribe for or to purchase any Securities.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Securities shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Securities or to advise any investor in the Securities of any information coming to their attention.

This Prospectus, including the documents incorporated by reference herein, contains forward-looking statements. Such items in this Prospectus include, but are not limited to, statements made under “*Risk Factors*.” Such statements can be generally identified by the use of terms such as “anticipates,” “believes,” “could,” “expects,” “may,” “plans,” “should,” “will” and “would,” or by comparable terms and the negatives of such terms. By their nature, forward looking statements and projections involve risk and uncertainty, and the factors described in the context of such forward-looking statements and targets in this Prospectus could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. The Issuer and the Guarantor have based forward-looking statements on their

expectations and projections about future events as of the date such statements were made. These forward-looking statements are subject to risks, uncertainties and assumptions about the Issuer and the Guarantor, including, among other things, the risks set out under “*Risk Factors*”.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Securities 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 the Issuer, the Guarantor or the Managers which is intended to permit a public offering of the Securities or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Prospectus 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 Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Securities in the United States, the United Kingdom and Switzerland, see “*Subscription and Sale*”.

**IN CONNECTION WITH THE ISSUE OF THE SECURITIES, BNP PARIBAS AS STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGERS) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

### **Presentation of Financial and Other Information**

All references in this Prospectus to (i) “EUR”, “€” or “euro” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union of those members of the European Union which are participating in the European economic and monetary union and (ii) “CHF” or “Swiss francs” is to the lawful currency of Switzerland.

Certain financial information (including percentages) included in this Base Prospectus has been rounded and, as a result, the totals of the information presented may vary slightly from the actual arithmetic totals of such information.

References in this Prospectus to “EBITA” shall be to earnings before interest, taxation, non-ERP related intangible amortisation; before net acquisition, disposal and restructuring-related costs and fair value adjustments and related tax credits.

References in the Prospectus to the “**Group**” shall be to the Guarantor and its subsidiaries taken as a whole.

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

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## OVERVIEW OF THE SECURITIES

This Overview should be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference herein.

Words and expressions defined in “*Terms and Conditions of the Securities*” (the “**Conditions**”) below or elsewhere in the Prospectus shall have the same meanings in this Overview.

|                                   |  |
|-----------------------------------|--|
| <b>Issuer:</b>                    | Aryzta Euro Finance Limited incorporated under the laws of Ireland and having its registered office at Grange Castle Business Park, Clondalkin, Dublin 22, Ireland.  |
| <b>Guarantor:</b>                 | <p>ARYZTA AG incorporated under the laws of Switzerland and having its registered office at Talacker 41, 8001 Zurich, Switzerland (company number CHE-114.160.610).</p> <p>The payment of principal, premium (if any), interest and additional amounts (if any) in respect of the Securities has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the “<b>Guarantee</b>”) dated 21 November 2014 and executed by the Guarantor.</p> <p>The obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank <i>pari passu</i> with any Parity Obligations of the Guarantor.</p> |
| <b>Risk Factors:</b>              | There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Securities. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities. These are set out under “ <i>Risk Factors</i> ” below.  |
| <b>Description of Securities:</b> | €250,000,000 Perpetual Callable Subordinated Securities (the “ <b>Securities</b> ”), to be issued by the Issuer on 21 November 2014 (the “ <b>Issue Date</b> ”).   |
| <b>Managers:</b>                  | BNP Paribas<br>J.P. Morgan Securities plc<br>Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)   |
| <b>Interest:</b>                  | <p>The Securities bear interest on their price paid amount at a fixed rate of 4.50 per cent. per annum from (and including) the Issue Date to (but excluding) 28 March 2019 (the “<b>First Call Date</b>”), and thereafter at the relevant Reset Interest Rate as defined in Condition 5 (<i>Interest</i>).</p> <p>Unless a Compulsory Distribution Payment Event has occurred, the Issuer may determine in its sole discretion not to pay all or part of the Interest Amount falling due on any Interest Payment</p>  |



Date.

If a Change of Control Event occurs, the Interest Rate will increase once by 2.50 per cent. per annum with effect from (and including) the earliest of (A) the Interest Payment Date immediately following the date on which that Change of Control Event occurs and (B) the 60th calendar day following the date on which that Change of Control Event occurs.

Each Deferred Interest Payment will become due and payable, and the Issuer must pay such Deferred Interest Payment, as further set out in Condition 5.4(b), on the earliest to occur of (A) the next Interest Payment Date in respect of which a Compulsory Distribution Payment Event has occurred (B) the next Interest Payment Date if the Issuer otherwise elects to pay all or some of the interest scheduled to be paid on such Interest Payment Date (C) the date on which all of the Securities are redeemed and (D) the date on which the Guarantor is (or is deemed by law or a court to be) bankrupt or the Issuer or the Guarantor enters into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be).

#### **Redemption**

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase the Securities in accordance with the provisions of Condition 6.

The Issuer may redeem the Securities (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments as further set out in Condition 6.2.

The Issuer is entitled to redeem the Securities if, among other events, a Gross-Up Event, Change of Control Event, Tax Event or Accounting Event occurs, in accordance with the provisions of Condition 6.3, 6.4 and 6.5.

#### **Events of Default:**

As further set out in Condition 11, Events of Default under the Securities include (i) certain events related to non-payment when due of any principal or any interest or other amount due and payable in respect of the Securities, and (ii) the Guarantor becoming (or being deemed by law or a court to be) bankrupt or the Issuer or the Guarantor entering into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be).

#### **Status of the Securities:**

The Securities constitute direct, unsecured and subordinated

obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with any Parity Obligations of the Issuer.

**Variation and substitution:**

Subject as provided in Condition 12, the Issuer may, at its option and without the consent or approval of the Holders, elect to substitute the Securities for, or vary the terms of the Securities so that they become or remain, Qualifying Securities at any time following the occurrence of a Gross-Up Event (as defined in Condition 6.3), Tax Event or Accounting Event (as defined in Condition 6.4).

**Meetings of Holders and modification:**

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

The Fiscal Agent may agree, without the consent of the Holders, to any modification of the Conditions in accordance with the provisions of Condition 13 (*Meetings of Holders and Modification*).

**Withholding Tax and Additional Amounts:**

The Issuer or the Guarantor (as the case may be) will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the Securities, after withholding or deduction in respect of any Taxes (as defined in Condition 8) imposed, levied, collected, withheld or assessed by or on behalf of a Relevant Jurisdiction (as defined in the Conditions), will equal the amount which would otherwise have been received in respect of the Securities in the absence of any such withholding or deduction, subject to the exceptions, as described in Condition 8 (*Taxation and Gross-Up*) of the Conditions and Clause 4 of the Guarantee.

**Listing and admission to trading:**

Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on the Main Securities Market.

**Governing Law:**

The Securities and the Guarantee will be governed by, and construed in accordance with, English law, save that Conditions 3.2 and 4.3 are governed by Irish and Swiss law respectively and Clause 3 of the Guarantee are governed by Swiss law.

**Form:**

The Securities will be issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

## **RISK FACTORS**

*An investment in the Securities involves a high degree of risk. Investors should carefully consider the following information about these risks, together with the information contained elsewhere in this Prospectus, before they decide to purchase the Securities. The actual occurrence of any of the following risks could adversely affect the Group's operating results and financial condition. In that case, the value of the Securities could also decline and investors could lose all or part of their investment.*

*The risks and uncertainties discussed below are those that the Group believes are material, but these risks and uncertainties may not be the only ones that the Group faces. Additional risks and uncertainties, including those of which the Group is not currently aware or deems immaterial, may also have an adverse effect on the Group's operating results and financial condition or result in other events that could lead to a decline in the value of the Securities.*

*Words and expressions defined in the Conditions, "Description of the Issuer" or "Description of the Guarantor" shall have the same meanings in these Risk Factors.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under the Securities**

#### ***Not a Bank Deposit***

Any investment in the Securities does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Securities.

#### ***Examinership***

Examinership is a court procedure available under the Irish Companies (Amendment) Act, 1990, as amended (the "1990 Act") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors.

The primary risks to the holders of Securities if an examiner were appointed to the Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Holders of the Securities;
- (b) the potential for the examiner to seek to set aside any negative pledge prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Holders of the Securities.

#### ***Irish Taxation Position of the Issuer***

The Issuer has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (“**Section 110**”), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the tax treatment of the Issuer and consequently the payments on the Securities.

#### ***Fraudulent Preference***

In Irish insolvency proceedings, any payment made on the Securities may be held to be invalid if the payment was intended to give the relevant creditor a preference over other creditors and at the time of payment the Issuer was unable to pay its debts as they become due. A payment will only be held invalid in the context of insolvency proceedings in these circumstances if:

- (a) proceedings to wind up the entity making the payment are commenced within six months after the date the payment was made; and
- (b) at the time the payment was made and at the time the winding-up proceedings were commenced, the entity making the payment was unable to pay its debts, taking into account its contingent and prospective liabilities.

A payment, however, will not be held invalid as a preference if at the time it was made, the company was unable to pay its debts as they fell due, and the payment was made in good faith and for valuable consideration.

#### ***Finance Vehicle***

The Issuer has been established for the sole purpose of acting as a finance company for the Group. The Issuer’s sole business is raising capital to be on-lent to companies in the Group for funding purposes.

Accordingly, substantially all the assets of the Issuer will be loans made to companies in the Group. The ability of the Issuer to satisfy its obligations in respect of the Securities will depend upon repayments of loans by Group companies. The obligations of the Issuer to Holders are the subject of the Guarantee.

## **Risks relating to the Group's Business**

### ***Changing dietary trends and the increased emphasis on health and wellness among consumers could impact demand for the Group's products and present risks for the Group***

The success of the Group's business depends on the continued appeal of the range of products it offers. If the Group does not anticipate or react quickly to a shift in consumer preferences or demand, it could effect sales and revenue and have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

Popular media publications often promote dietary changes and the reduction of complex carbohydrates which, given that the Group specialises in baked goods production, make up a large proportion of the Group's product base. If this trend were to continue, it could negatively impact the Group's sales, revenue and profitability. Additionally, the Group is affected by evolving nutritional and health-related concerns as consumers have become increasingly focused on health and wellness with respect to the food products they consume (and their ingredients). Demand for the Group's products could be affected by consumer concerns regarding the health effects of frozen or baked products or ingredients such as trans-fats, sugar, processed wheat or other product attributes.

The ability to anticipate dietary changes in the market and utilise research and development functions to develop new products which meet consumers' changing demands is key to the Group's continued success. Given the varied backgrounds and tastes of the Group's customer base, the Group must offer a sufficient range of products to satisfy a broad spectrum of preferences. The Group may not be successful in accurately predicting customer preferences or demand for certain products. Failure to identify accurately or to respond effectively to changing customer preferences or demand could negatively impact the Group's relationship with its customers and/or affect the Group's sales, market share and/or profitability. Further, if the Group misjudges demand, it may build up excess inventory for certain products. Any of the above risks could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

### ***Adverse developments with respect to the safety and quality of the Group's products or the food industry in general or health concerns may damage the Group's reputation, increase the Group's costs of operations or decrease demand for the Group's products***

Food safety and the public's perception that the Group's products are safe and healthy are essential to the Group's reputation, brand image and business. The Group faces operational risks associated with product contamination and general food scares affecting relevant products. The Group sells food products for human consumption, which subjects it to safety risks such as product contamination (including the presence of a foreign object, substance, chemical or other agent or residue or the introduction of a genetically modified organism), spoilage, misbranding and product tampering. If any such safety risks were to materialise it could lead to widespread product withdrawals or recalls, negative publicity, loss of consumer confidence in the safety and quality of the Group's products, damage to the Group's brand, reputation and image, destruction of inventory, temporary facility closures, lost production time, claims or lawsuits relating to an actual or alleged illness stemming from product contamination or any other incidents, investigations and/or substantial costs of compliance or remediation. Any of the above consequences could negatively impact the Group's sales, profitability and prospects for growth and have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

The Group strives to control the risks related to product quality and safety through the implementation of, and adherence to, strict quality standards. The Group manufactures the majority of the products which it sells and sources the remainder from third party suppliers. The Group maintains systems designed to monitor food safety risks for the products it manufactures and requires its suppliers to do so as well. For example, the Group's suppliers must: (i) have a recognised Global Food Safety Initiative (GFSI) accreditation, (ii) ensure

raw materials are fully traceable back to suppliers, (iii) subject their operations to a risk assessment process in accordance with the “*ARYZTA Supplier Code of Conduct and Manufacturing Code of Practice*” and (iv) submit their operations to annual ethical data exchange audits. However, the Group cannot guarantee that its efforts will continue to be successful or that such risks with respect to quality and safety will not materialise.

Even if the Group’s own products are not affected by product contamination (or other incidents that compromise their safety and quality), negative publicity about the food industry generally or the ingredients or health implications of the Group’s products could result in reduced consumer demand. The Group is subject to risks affecting the food industry generally, including risks posed by widespread contamination and evolving nutritional and health-related concerns (see “*–Changing dietary trends and the increased emphasis on health and wellness among consumers could impact demand for the Group’s products and present risks for the Group.*”).

Regulatory authorities may limit the supply of certain types of food products in response to public health concerns, and consumers may perceive certain products to be unsafe or unhealthy, which could require the Group or its suppliers to find alternative supplies or ingredients that may or may not be available at commercially reasonable prices and within acceptable time constraints. In addition, governmental regulations may in future be implemented which require the Group to identify replacement products to offer to its customers or, alternatively, to discontinue certain offerings or limit the range of products offered. The Group may be unable to find substitutes that are as appealing to its customer base, or such substitutes may not be widely available or may be available only at increased costs. Such substitutions or limitations could also reduce demand for the Group’s products.

Although the Group takes active measures to monitor food safety and quality, underlying trends in the food industry in general and health concerns, there is no guarantee that such measures will always be successful. If any of the above risks were to materialise, it could negatively impact the Group’s brand, reputation and image or negatively impact its sales, revenue and/or profitability, which could in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***Failure to address increasing compliance requirements in areas such as health and safety and environment could subject the Group to investigations, penalties and/or fines***

The Group is subject to numerous health, safety and environmental laws and regulations, including laws and regulations relating to the creation and maintenance of the conditions called for in the Group’s production and distribution facilities, the remediation of water supply and use, water discharge, air emissions, waste management, noise pollution and workplace and product health and safety. Health, safety and environmental legislation has tended to become broader and stricter over time, and enforcement has become more stringent. The Group tries to follow and anticipate such changes, but any failure to do so may lead to penalties or fines. If health, safety and environmental laws and regulations in the jurisdictions in which the Group has operations or from which it sources ingredients are strengthened in the future or interpretations thereof evolve, the extent and timing of capital expenditures required to maintain compliance may differ from the Group’s internal planning and may limit the availability of funding for other investments. In addition, if the costs of compliance with health, safety and environmental laws and regulations increase and it is not possible for the Group to integrate these additional costs into the price of its products, such cost increases could reduce the Group’s profitability and net operating revenues. Any of the above factors could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

As a producer and distributor of food products for human consumption, the Group is subject to stringent production, packaging, health, quality, labelling, transportation, storage and distribution standards across numerous jurisdictions. The Group’s production facilities, distribution centres and suppliers’ facilities are subject to licensing and reporting requirements, as well as regular inspections by numerous local and national

governmental authorities to ensure compliance with licences as well as various health, safety, sanitation, labour relations, building zoning and fire regulations. Difficulties in obtaining or failure to obtain or comply with the necessary licenses, approvals, reporting requirements or regulations could delay or prevent the development or operation of a given production facility or distribution centre. Additionally, any changes in licensing requirements, standards or regulations may require the Group to implement new quality controls and possibly to invest in new equipment, which could delay the development of new products and increase operating costs of existing or new facilities. Non-compliance with standards or regulations may result in a relevant government authority temporarily shutting down the production facility, distribution centre or supplier's facility concerned and/or levying a fine for such non-compliance, which could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

Furthermore, health, safety and environmental laws and regulations and civil liability (tort) rules could expose the Group to liabilities. Under some of these laws and regulations, the Group could be liable for investigating or remediating contamination at properties which it owns or occupies. The discovery of previously unknown contamination, or the imposition of new obligations to investigate or remediate contamination at the Group's properties, could result in substantial unanticipated costs. In some circumstances, the Group could be required to pay fines or damages under these laws and regulations. Regulatory authorities may also require the Group to curtail operations or close facilities temporarily or permanently. In addition, although the Group monitors the exposure of the Group's employees and neighbours to risks connected with its operations, the Group may be subject to health claims resulting from actual or alleged exposure to hazardous materials, as well as to claims by government authorities, individuals and other third parties seeking damages for alleged personal injury or property damage resulting from hazardous substance contamination or exposure caused by the Group's operations.

Although the Group believes that it conducts its operations in a way that reduces health, safety and environmental risks and has in place appropriate systems for identifying and managing potential liabilities, it may not have identified or addressed all sources of health, safety and/or environmental risks, and there can be no assurance that the Group will not incur health, safety and environmental related losses or that any losses incurred will not have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Group faces the challenges of fluctuations in commodity and energy costs***

The Group and its suppliers use significant quantities of food commodities, including flour, wheat, cocoa, fats and oils, corn, soya beans, sugar and sweeteners, butter and energy. Commodities and energy costs are subject to fluctuations in availability and price. Such fluctuations are attributable to, among other things, general economic conditions, production and harvesting issues, natural disasters, adverse weather conditions, diseases, quarantines, demand spikes, and/or government regulation or price controls. Although the Group attempts to reduce its exposure to price fluctuations to a limited extent by buying certain commodities at opportune moments during the year and through hedging arrangements (derivative contracts), the Group's ability to avoid the adverse effects of pronounced, sustained price increases in commodities and energy is limited. Furthermore, the Group's ability to pass along higher costs through price increases to customers is limited by the competitive pricing conditions in the Group's industry (and even if the Group were able to pass increased costs on to customers, the higher prices might lead to reduced demand or negative changes in the product mix). Any of these factors could negatively impact the Group's cost of sales, gross margins, revenue and profitability, which in turn could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

Suppliers could increase the prices of their products or fail to deliver sufficient quantities to the Group. Although alternative suppliers are available, there are difficulties in moving products from one supplier to another without affecting the availability of products. As part of the Group's strategy, it aims to further

enhance profitability by utilising its centralised procurement function and purchasing power to achieve more favourable pricing terms from its suppliers and by closely monitoring its operating expenses, as well as seeking to optimise its supplier and product mix. The Group's failure to maintain or improve pricing terms from its suppliers as its business grows could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

Significant amounts of electricity are needed to maintain the Group's production and storage facilities. The Group expects that electricity costs will generally increase in the future. Such increases may be significant, which could also have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The loss of a significant supplier could adversely impact ongoing operations of the Group's business***

The Group relies on third party suppliers for both commodities and certain of its products, see "*Business—Sourcing, Manufacturing and Distribution*". This exposes the Group to risks that such suppliers may fail to meet timelines, provide the Group with sufficient commodities or products or comply with the Group's specifications and/or quality standards. Additionally any significant disruption in the workforce of a third-party supplier due to a labour disturbance, strike or other work stoppage could have a material adverse effect on the supply of commodities or products. Any failure or loss of a significant supplier could negatively impact the Group's business operations, sales and/or profits if the Group fails to meet customer demands or loses key customers as a result. Any of these factors could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

The use of third-party suppliers places increased demands on the Group's quality control systems and exposes the Group to risks that the products provided may not meet the relevant quality standards or customer specification. Although the Group carefully monitors its third-party suppliers and maintains an audit program to ensure strict compliance with the Group's specifications, there can be no assurance that such measures will be effective in all cases in the future. See "*—Failure to protect the Group's image, reputation and brand could materially affect its business.*". Further, the Group's interests may conflict with those of its suppliers, especially external producer partners, which may damage the Group's relationships with them. There is no assurance that the Group's current suppliers will continue to supply the Group with products on the terms it has previously enjoyed, which could disrupt business operations, sales and relationships with key customers and in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

The Group relies upon high-quality third-party suppliers in the industry who are prepared to provide sufficient volume and quantity of commodities and products to the Group. If the Group was required to obtain additional or alternative agreements or arrangements in the future with third-party suppliers, it may be unable to do so on satisfactory terms or in a timely manner. This could restrict the Group's ability to implement its business plan, maintain its quality standards, protect the Group's brand or meet customer demand. Any adverse changes to the Group's relationships with its suppliers or quality issues caused by its suppliers could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group, including its brand image and reputation.

***Adverse economic conditions could result in a decrease in consumer spending***

The Group conducts its operations principally in Europe and North America and the Group relies significantly on revenue from these regions to fulfil its strategic objectives. For the fiscal year ended 31 July 2014, 93.5 per cent. of Food Group revenue was derived from sales in these markets. Therefore, the Group is particularly influenced by economic developments and changes in consumer habits in Europe and North America. The Group's business and the food industry as a whole have been affected by the ongoing global economic volatility which effects consumption. Any future economic downturn in the Group's principal markets would



be likely to reduce demand for the Group's value-added products, drive down prices and impact gross margins, which in turn could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***As the Group operates in a competitive industry, it is subject to the risk of the loss of a significant customer***

The speciality bakery market is highly competitive. The Group's competitors consist of some of the largest food production companies in the world, as well as lesser speciality bakeries, who service a defined customer base. While the Group strives to develop and maintain a unique position in the speciality bakery market and its customer channels consist of a mix of large retail, convenience and independent retail, QSRs and other food service categories, the loss of one or more of the Group's larger customers could negatively impact the sales performance and profitability of the Group and in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

The Group has a diversified customer base, with over 78,000 customers and no single customer accounts for more than 10.0 per cent of the Food Group's revenue (see "*Business – Sourcing Manufacturing and Distribution*"). Nonetheless, according to management estimates, the top 20 customers account for approximately half of the Food Group's revenue. Should the Group lose one of the top 20 customers, it may have a negative impact on the Group's sales and profitability which could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Group faces business risks associated with cash and collectables***

The Group is subject to the risk of financial losses arising from failure of the Group's customers or hedge counterparties to fulfil their payment obligations. As at 31 July 2014, the Group's trade and other receivables were €614.3 million, of which €12.9 million (0.019 per cent.) were more than 121 days past due.

The Group has detailed procedures for monitoring and managing the credit risk related to its customers and counterparties based on experience, customer track record and historic debt default. Individual risk limits are set in respect of the Group's customers and counterparties, and risk is only accepted above such limits in defined circumstances. In addition, the Group performs ongoing credit evaluations of new and existing customers' and counterparties' financial conditions and reviews the collectability of trade and other receivables to mitigate possible credit losses.

The Group also establishes allowances for impairments that represents its estimate of incurred losses in respect of trade and other receivables and has a receivables purchase agreement in place to transfer credit risk and control of certain trade receivables. However, there can be no assurance that these measures will be sufficient to mitigate credit risk. If, due to an economic downturn (see "*–Adverse economic conditions could result in a decrease in consumer spending.*") or for any other reason, there were to be an increase in the number of customers or counterparties unable to meet their payment obligations or a significant customer or counterparty were to default on its payment obligation, the Group's allowances for impairment may be insufficient to cover the losses and the Group may have to make further allowances for impairments. This could negatively impact the Group's revenues and profitability and have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***Fluctuations in currency exchange rates and related risks may adversely affect the Group's results of operations***

As an international group with substantial operations and interests outside the Eurozone, the Group is subject to the risk of adverse movements in foreign currency exchange rates. Exchange rate fluctuations may have both translation and transaction effects. The Group's reporting currency is euro, however, the Group has operations in numerous countries outside the Eurozone, including, Australia, Brazil, Canada, Denmark, Japan,

Malaysia, New Zealand, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States.

Currency translation effects occur when the financial statements of the Group's subsidiaries which are recorded in their respective local currency are converted into euro upon being consolidated into the Group's financial statements. Translation effects can diminish the impact of positive results or increase the impact of negative results recorded by such consolidated subsidiaries. In particular, the Group may observe a negative impact caused by translation effects when the euro is strong in comparison to other foreign currencies (particularly the U.S. dollar, the Canadian dollar and pound Sterling).

Transaction effects occur when a subsidiary of the Group is unable to match sales revenue received in one currency with the cost of sales paid in the same currency. This exposes such subsidiary's results of operations to currency exchange rate fluctuations. For example, subsidiaries in the Food Rest of World segment typically import finished products from other overseas subsidiaries in the Group and are therefore susceptible to transaction effects as a consequence of exchange rate fluctuations.

For the above reasons, fluctuations in currency exchange rates could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The loss of a significant manufacturing/operational site through natural catastrophe or an act of vandalism could disrupt the Group's operations***

The Group's production and distribution facilities and systems are susceptible to risks which are outside the control of the Group, such as fire (whether accidental or through act of arson), natural disaster or catastrophe and external or internal vandalism. The Group attempts to prevent and mitigate these risks by implementing appropriate security measures and maintaining business continuity and disaster recovery plans in respect of each of its facilities and, where appropriate, maintaining adequate insurance coverage. However such measures and plans do not entirely mitigate the risk of a loss of a facility, but rather detail how the Group can re-instate operations with minimal business interruption, or service customer demands from other facilities within its network. The Group cannot guarantee that where a disaster has occurred, another facility will be able to replace completely the facility which has been destroyed or damaged. Therefore, should a natural catastrophe or an act of vandalism result in a facility being damaged or destroyed, it may have a significant impact on the Group's ability to produce or distribute its products, service its customers' demands and retain long-term customer relationships. Such events could significantly damage the Group's brand, image and reputation and/or negatively impact its sales, revenues and profitability, which could in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***Failure to protect the Group's image, reputation and brand could materially affect its business***

The Group's portfolio of brands, and the image and reputation associated therewith, constitute a significant part of the Group's value. The Group's success in recent years can be attributed to its ability to develop and leverage its brands, image and reputation as a leading producer and supplier of a wide variety of safe and healthy speciality baked goods at competitive prices. The Group faces the risk of impairment of its goodwill, brands and intangibles. Any event, such as a significant product recall, negative media coverage or litigation could erode the Group's image, reputation or brands and have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

The Group's principal brand names and trademarks are key assets of its business. See "*Business Description —Intellectual Property*". The Group relies upon a combination of patent and trademark laws to establish and protect its intellectual property rights, but cannot be certain that the actions it has taken or will take in the future will be adequate to prevent violation of such proprietary rights. There can be no assurance that litigation will not be necessary to enforce the Group's trademark or proprietary rights or to defend the Group

against claimed infringement of the rights of third parties. Adverse publicity, legal action or other factors could lead to substantial erosion in the value of the Group's brands, which could in turn lead to decreased demand and have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Group faces risks and challenges associated with managing growth, and ensuring that processes around acquiring and integrating new businesses are robust***

The Group has grown rapidly since the Merger, with both acquisitions and organic growth being key components of the Group's growth strategy. The Group now has a presence across five continents, in 25 countries with over 60 bakeries and kitchens. During the fiscal year ended 31 July 2014, the Food Group invested €1,139.6 million, of which €862.8 million (net of debt) was spent acquiring new bakeries and €276.8 million was spent upgrading existing bakery assets. The Group cannot guarantee that acquiring additional bakeries (and thereby enlarging the Group's manufacturing footprint and customer base) and expanding existing bakeries will not adversely affect its existing business or will continue to be profitable.

Future business growth could place a significant strain on the Group's managerial, operational and financial resources. The Group may be unable to achieve increased revenues and/or profitability from new production facilities within the expected timeframe, or at all. The Group's ability to benefit from future growth will depend on its ability to continue to implement and improve operational, financial and information systems on a timely basis and to integrate, expand, train, retain, motivate and manage its workforce. However, the Group's personnel, systems, procedures and controls may not be adequate to integrate future acquisitions of the Group or support continued expansion. Failure to manage the Group's expansion effectively or to integrate future acquisitions may lead to increased costs, a decline in sales and reduced profitability, which could in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

In addition, the Group's ability to acquire new production facilities is dependent on the Group identifying suitable targets that can be acquired on commercially reasonable terms. The Group cannot guarantee that there will be such future opportunities, which could in turn have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The implementation of a Group-wide ERP system requires substantial investment and monitoring of implementation, and would result in significant costs in the event of a failed implementation***

Pursuant to the ATI programme, the Group has implemented a single enterprise resource planning ("ERP" system (see "Business Description – Strengths – Focused Business Model"). The Group depends on accurate and timely data from the ERP system to support its operational and strategic decision-making processes and to manage expansion and growth of the business. Any disruption caused by significant down-time in the ERP system may adversely affect production, the Group's relationships with its customers and suppliers, the Group's brand, image and reputation and growth prospects. Although a project management team monitors and maintains the ERP system and is responsible for identifying and mitigating any risks in connection therewith, the Group cannot guarantee that such measures will continue to be successful. Any of these factors could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***A significant Information Technology or security system failure could adversely impact the Group's operations***

The Group relies heavily on its IT infrastructure to manage and operate all aspects of its business, including production, sales, customer service, marketing, budgeting, financial reporting, distribution, logistics and inventory management. As part of the ARYZTA Transformation Initiative ("ATI"), the Group introduced a

single system ERP platform upon which it relies to operate its business and execute its expansion strategy. The Group is exposed to operational risks associated with its IT systems, such as security failure, loss of key data (whether through accidental disclosure or criminal theft), the breakdown or failure of equipment, interruption of power supplies or processes, fires, floods or other natural disasters, acts of sabotage or vandalism, and industrial accidents. A significant outage in the Group's IT infrastructure could have a material adverse effect on the Group's operations, including the ability to service its customers' demands, appropriately plan, produce and distribute its product and ensure complete and accurate financial reporting, which in turn could have a material adverse effect on the Group's customer relationships, revenues and/or profitability.

Whilst the Group maintains certain controls designed to manage operational risk associated with its IT infrastructure, including continued upgrading, it may nonetheless be adversely affected if such controls fail to detect or contain operational risks. If the Group does not allocate, and effectively manage, the resources necessary to build and sustain the proper IT infrastructure and to maintain the related automated and manual control processes, the Group could be subject to adverse effects, including billing and collection errors, business disruptions and damages related to security breaches. Any disruption caused by failings in the Group's IT infrastructure or underlying equipment or of communication networks could delay or otherwise impact the Group's day-to-day business and decision-making processes and negatively impact the Group's operations and performance, which could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Group is dependent upon key executives and highly qualified managers whose retention cannot be assured***

The Group's success depends, in part, upon the continued services of its key executive and management personnel. The Group faces risks associated with the potential loss of key management personnel. The Group's senior executives and management have an intimate knowledge of the business, as well as significant knowledge and experience of the food industry, which represents a key strength in the Group's business model. The Group's success depends, in part, upon the continued services of its CEO, Owen Killian, its CFO/COO, Patrick McEniff, its CAO, Pat Morrissey, its CEO of Americas, John Yamin, and other key executives and management who have grown the business since the Merger.

The success of the Group's business strategy and its future growth also depend on the Group's ability to attract, train, retain and motivate skilled managerial, sales, administration, development and operating personnel. The loss of one or more of the Group's key management or operating personnel, or the failure to attract and retain additional key personnel, could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Group's performance depends on favourable labour relations with its employees***

As at 31 July 2014, the Group had 18,733 employees. The Group's operations depend on the availability, retention and relative costs of labour and on maintaining satisfactory relations with employees. Any significant increase in labour costs, deterioration of employee relations, slowdowns or work stoppages could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***A significant failure in the Group's accounting, planning or internal financial controls and related systems could result in material error or fraud***

Although the Group has implemented an internal financial control framework which is defined, monitored and tested regularly, and anti-fraud processes are in place, the Group cannot ensure that no breaches of this framework will occur either through fraudulent procedures or acts of collusion. Any breaches of internal

financial control framework could result in material error or fraud. It could also result in restatement of the Group's financial statements, which could result in a failure to discharge reporting obligations and/or cause investors to lose confidence in the Group's reported financial information. Any of the above could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

In order to manage growth effectively, the Group must continue to monitor and maintain its internal financial control framework and correct any identified deficiencies in respect thereto. The Group cannot assure that there will not be material weaknesses or significant deficiencies in the Group's internal financial control framework in the future. The Group may be unsuccessful in achieving improvements to its internal financial control framework in a timely manner. Even if implemented, such improvements may be inadequate to support the Group's operations. Any of the above could have a material adverse effect on the business operations, financial condition, profitability or prospects of the Group.

***The Guarantor's ability to make payments under the Guarantee depends upon dividends and distributions from its subsidiaries and the companies in which it invests from time to time***

The Guarantor is a holding company that conducts its operations principally through, and derives substantially all of its revenue from, its operating subsidiaries and other companies in which it invests. As a result of its holding company structure, the Guarantor's operating cash flow and ability to meet its obligations, including the obligation to make payments under the Guarantee, each depend upon the operating cash flow of the Guarantor's subsidiaries and the companies in which it invests.

The ability of those subsidiaries and companies to pay dividends or make other distributions or payments to the Guarantor will be subject to, among other things, the availability of profits or distributable funds, restrictions on the payment of dividends in covenants given in connection with financial indebtedness and restrictions in applicable laws and regulations. Neither the terms and conditions of the Securities nor the Guarantee contain covenants that prevent the Guarantor's subsidiaries or the other companies in which it invests from entering into agreements that may restrict their ability to pay dividends or make payments to the Guarantor.

Generally, in the event of a winding-up or insolvency of a subsidiary of the Guarantor, claims of secured and unsecured creditors of such subsidiary will have priority with respect to the assets and revenue of such subsidiary over the claims of the Guarantor or creditors of the Guarantor. Claims in respect of the Guarantee will therefore be effectively subordinated to creditors of existing and future subsidiaries of the Guarantor.

**Risks related to the Securities**

The following does not describe all the risks of an investment in the Securities. Prospective investors should consult their own financial and legal advisers about risks associated with investments in the Securities and the suitability of the investors in light of their particular concerns.

***The Securities are complex financial instruments and may not be suitable for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (1) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained in this Prospectus; (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the relevant Securities and the impact the relevant Securities will have on the investor's overall investment portfolio; (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or interest payments is denominated in a currency different from that of the potential investor; (4) understand thoroughly the terms of the Securities and the Guarantee and be familiar with the behaviour of any relevant financial markets; and (5) be able to evaluate

(either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the investor's investment and the investor's ability to bear the applicable risks. Before investing in the Securities, each potential investor should have understood thoroughly the Conditions and be familiar with them and the content of this Prospectus.

***The Securities and the Guarantee are subordinated obligations***

The Securities and the Guarantee constitute direct, unsecured and subordinated obligations of the Issuer and the Guarantor ranking *pari passu* without any preference among themselves and *pari passu* with any Parity Obligations of the Issuer or the Guarantor (as the case may be). The rights and claims of the Holders in respect of the Securities and the Guarantee (as the case may be) are subordinated as described in Condition 3.2 (*Status and Subordination of the Securities*) and Condition 4.3 (*Subordination of the Guarantee*) of the Conditions and in Clause 3 of the Guarantee.

In the event of the liquidation, dissolution, bankruptcy (in respect of the Guarantor only), composition or other proceedings for the avoidance of liquidation of the Issuer or the Guarantor, the rights and claims of the Holders in respect of the Securities or the Guarantee (as the case may be) rank junior (except as otherwise required by mandatory provisions of law) to all other present and future obligations of the Issuer or the Guarantor (as the case may be), whether subordinated or unsubordinated, except in respect of any debt of the Issuer or the Guarantor (as the case may be) which ranks or is expressed to rank *pari passu* or junior to the Securities or the Guarantee. There is a greater risk that an investor in the Securities will lose all or some of its investment in the event of the liquidation, dissolution, bankruptcy (in respect of the Guarantor only), composition or other proceedings for the avoidance of liquidation of the Issuer or the Guarantor.

***The Conditions provide for limited Events of Default***

Holders of Securities have limited acceleration rights (as described in Condition 11 (*Events of Default*) of the Conditions) in respect of the Securities and events of default are limited to (i) non-payment of any principal or any interest or other amount due and payable in respect of the Securities and (ii) the Guarantor becoming (or being deemed by law or a court to be) bankrupt or the Issuer or the Guarantor entering into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be).

***No scheduled redemption***

The Securities are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Securities at any time unless the holder of any Security gives notice to the Issuer that the Security is, and such Security shall accordingly become, immediately due and repayable pursuant to Conditions 11.2 (*Winding-up*). The Securities may be redeemed at the option of the Issuer on the First Call Date or on any Interest Payment Date thereafter. There can be no assurance, however that the Issuer will opt to redeem the Securities. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

***The Securities are subject to redemption on the First Call Date, any Interest Payment Date thereafter or at any time on the occurrence of a Gross-Up Event, a Change of Control Event, a Tax Event or an Accounting Event***

The Securities may be redeemed at the option of the Issuer in whole (but not in part) on the First Call Date or on any Interest Payment Date. The Securities may also be redeemed by the Issuer in whole (but not in part) in the case of a Gross-up Event, a Change of Control Event, a Tax Event or an Accounting Event occurs. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities will not rise substantially above the price at which they can be redeemed.

***Variation or substitution of the Securities without Holder consent***

Subject as provided in Condition 12, the Issuer may, in its sole discretion and without the consent or approval of the Holders, elect to substitute the Securities for, or vary the terms of the Securities so that they become or remain, Qualifying Securities at any time following the occurrence of a Gross-Up Event, a Tax Event or an Accounting Event.

***In certain circumstances the Issuer may decide not to pay interest on the Securities***

Unless a Compulsory Distribution Payment Event has occurred, the Issuer may elect in its sole discretion not to pay all or part of the Interest Amount falling due on that Interest Payment Date, as defined in Condition 5 (*Interest*). Additional interest will accrue on each Deferred Interest Payment. Interest payment deferral may have an adverse effect on the market price of the Securities.

No deferral of interest may occur if a Compulsory Distribution Payment Event has occurred. A Compulsory Distribution Payment Event includes (subject to certain limitations) the Guarantor or any Subsidiary of the Guarantor paying a dividend on shares or paying interest at its option on any Parity Obligations or Junior Obligations which qualify as IFRS Equity Instruments (other than shares). If a payment of interest is made on any Parity Obligations or Junior Obligations that do not qualify as IFRS Equity Instruments (other than shares), no Compulsory Distribution Payment Event will occur and such payment shall not compel the Issuer to pay interest on the Securities. Accordingly, if any member of the Group issues any Parity Obligations or Junior Obligations which do not qualify as IFRS Equity Instruments (other than shares) this could have an adverse effect on the market price of the Securities.

Furthermore, Origin and its subsidiaries are excluded from the definition of “Subsidiary” for the purposes of the definition of “Compulsory Distribution Payment Event”. Therefore, if Origin pays at its option (i) a dividend on shares or (ii) interest on any Parity Obligations or Junior Obligations which qualify as IFRS Equity Instruments (other than shares), this would not constitute a “Compulsory Distribution Payment Event”.

***Neither the Issuer nor the Guarantor is prohibited from issuing further securities or incurring further indebtedness which may rank pari passu with or senior to the Securities or the Guarantee***

There is no restriction on the amount of securities or other indebtedness that the Issuer or that the Guarantor may issue or incur, as the case may be, that ranks senior to or *pari passu* with the Securities or the Guarantee (as the case may be). The issue of any such securities or the incurrence of other indebtedness may reduce the amount recoverable by investors upon the liquidation or dissolution of the Issuer or the Guarantor. If the financial condition of the Issuer or the Guarantor were to deteriorate, the Holders could suffer direct and materially adverse consequences, including suspension of interest and loss of all or part interest and principal if the Issuer or the Guarantor were liquidated or dissolved (whether voluntarily or involuntarily).

***Neither the Issuer nor the Guarantor is prohibited from disposing of any of their respective assets***

The Conditions do not prohibit either the Issuer or the Guarantor from disposing of any of their assets nor do the Conditions or the Guarantee provide for any restrictions in the payment by the Issuer or the Guarantor of dividends in cash or any other manner.

***The Securities do not carry voting rights***

Notwithstanding the fact that the Securities on issue qualify as “equity” for the purposes of the preparation of group consolidated financial statements of the Guarantor under Applicable Accounting Standards, the Securities do not carry voting rights at shareholders meetings. Consequently, the holders cannot influence, inter alia, any decisions by the Issuer to defer any Interest Payments or any other decisions by the Issuer’s shareholders concerning the capital structure of the Issuer.

### ***Modification of Conditions without consent from the holders of the Securities***

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

The Conditions also provide that the Fiscal Agent may, without the consent of holders, agree to the modification of any provision in the Conditions or the Agency Agreement for the purpose of curing any ambiguity or manifest or proven error in the Conditions or in any other manner which is not material prejudicial to the interests of the Holders.

### ***Change of law***

The Conditions and the Guarantee will be governed by English law and, in the case of Conditions 3.2 and 4.3, Irish and Swiss law respectively, and in the case of clause 3 of the Guarantee, Swiss law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of this Prospectus.

### ***Taxation***

The tax overview provided in “*Taxation*” below addresses only certain aspects of the taxation of income from the Securities in a limited number of jurisdictions and are included in this Prospectus solely for information purposes. These overviews cannot replace individual legal or tax advice or become a sole base for any investment decisions and/or assessment of any potential tax consequences thereof. The level and bases of taxation could change in the future and such changes may be applied retrospectively and the value of any relief will depend on potential investors’ own particular circumstances. Potential investors should consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of any Securities.

### ***EU Savings Directive***

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).



If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the Guarantor nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

***Potential changes in Swiss withholding tax legislation could impact investors***

On 24 August 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35% on any payment of interest in respect of a Security to an individual resident in Switzerland or to a person resident outside Switzerland. If this legislation or similar legislation were enacted and an amount of Swiss withholding tax were to be deducted or an amount in respect of Swiss withholding tax were withheld from a payment, none of the Issuer, Guarantor, or any paying agent or any other person would, pursuant to the Conditions, be obliged to pay additional amounts with respect to any Security as a result of the deduction or imposition of such withholding tax.

***Foreign Account Tax Compliance Act Withholding***

Certain provisions of U.S. law, commonly referred to as “FATCA,” impose a new reporting and withholding regime with respect to, among other things, certain payments made by, and financial accounts held with, entities that are classified as foreign financial institutions for the purposes of FATCA.

The United States has entered into an intergovernmental agreement with Ireland regarding the implementation of FATCA (the “IGA”). Under the IGA, as currently drafted, the Issuer does not expect payments of principal or interest made on or with respect to the Securities to be subject to FATCA withholding. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that FATCA withholding will not become relevant with respect to such payments on, or made with respect to, the Securities in the future. Prospective investors should consult their own tax advisers regarding the potential impact of FATCA.

***Transactions in the Securities could be subject to a future European 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, Estonia, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

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

Under the Commission’s Proposals, 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 Securities 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 may 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 participating Member States.

A joint statement issued in May 2014 by ten of the 11 participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

***A holder's actual yield on the Securities may be reduced from the stated yield by transaction costs***

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Securities. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, holders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), holders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Securities before investing in the Securities.

**Risks Related to the Market Generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk and interest rate risk.

***The secondary market generally***

The Securities are a new issue of securities and have no established trading market and there can be no assurance that an active trading market will develop. Even if an active trading market does develop, no one, including the Managers and the Issuer and Guarantor, is required to maintain its liquidity and it may not be very liquid. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the Issuer's and the Guarantor's financial condition and prospects and other factors that generally influence the market prices of securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market or at all.

***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Securities and the Guarantor will make any payments under the Guarantee 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 euro would decrease (1) the Investor's Currency-equivalent yield on the Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities.

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.

***Interest rate risks***

An investment in the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Prospectus:

- (a) the auditors report and audited group consolidated annual financial statements of the Guarantor for the financial year ended 31 July 2014 which is available at <http://www.aryzta.com/investor-centre/reports-presentations/aryzta-annual-report-2014.aspx>.
- (b) the auditors report and audited group consolidated annual financial statements of the Guarantor for the financial year ended 31 July 2013 which is available at <http://www.aryzta.com/investor-centre/reports-presentations/historic-annual-information/2013.aspx>.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

## TERMS AND CONDITIONS OF THE SECURITIES

*The following is the text of the Conditions of the Securities which (subject to modification) will be endorsed on the Certificates issued in respect of the Securities:*

The €250,000,000 Perpetual Callable Subordinated Securities (the “**Securities**”, which expression, unless the context otherwise requires, includes any further securities issued pursuant to Condition 10 and forming a single series with the Securities) of Aryzta Euro Finance Limited (the “**Issuer**”) are issued subject to and with the benefit of an agency agreement dated 21 November 2014 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) made between the Issuer, ARYZTA AG (the “**Guarantor**”) and Citigroup Global Markets Deutschland AG as registrar (the “**Registrar**”), Citibank, N.A., London Branch as fiscal agent and principal paying agent (the Fiscal Agent) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the “**Paying Agents**”) and the other agents named in it (together with the Fiscal Agent, the Registrar and the other Paying Agents, the “**Agents**”).

The statements in these 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 at the specified office of the Registrar. Holders 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, the Registrar, the Paying Agents and the Agents shall include any successor appointed under the Agency Agreement.

### 1 Form and Transfer

#### 1.1 Form and principal amount

The Securities are in registered form and are issued and transferable in minimum principal amounts of €100,000 and integral multiples of €1,000 in excess thereof. A security certificate (each a “**Definitive Certificate**”) will be issued to each Holder in respect of its registered holding of Securities. Each Definitive Certificate will be numbered serially with an identifying number which will be recorded on the relevant Definitive Certificate and in the register of Holders (the “**Register**”) which the Issuer will procure to be kept by the Registrar outside the United Kingdom.

#### 1.2 Title

Title to the Securities passes only by registration in the Register. The holder of any Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Definitive Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Holder**” and (in relation to a Security) “holder” means the person in whose name a Security is registered in the Register (or, in the case of a joint holding, the first named thereof).

### 2 Transfers of Securities and Issue of Definitive Certificates

#### 2.1 Transfers

Subject as provided in Condition 2.4, a Security may be transferred by depositing the Definitive Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Agents together with such evidence as the Registrar or such Agents may reasonably require to prove title to the Securities that are the subject of

the transfer and the authority of the individuals who have executed the form of transfer. Legal title to the Securities will pass upon registration of such transfer in the Register.

## **2.2 Delivery of new Definitive Certificates**

Each new Definitive Certificate to be issued upon transfer of Securities will, within five business days of receipt by the Registrar or the relevant Agent of the duly completed form of transfer endorsed on the relevant Definitive Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Security to the address specified in the form of transfer. For the purposes of this Condition, “**business day**” shall mean a day on which banks are open for business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with the transfer is located.

Where some but not all of the Securities in respect of which a Definitive Certificate is issued are to be transferred, a new Definitive Certificate in respect of the principal amount of Securities not so transferred will, within five business days of receipt by the Registrar or the relevant Agent of the original Definitive Certificate, be mailed by uninsured mail at the risk of the holder of the Securities not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

## **2.3 Formalities free of charge**

Registration of transfer of Securities will be effected without charge by or on behalf of the Issuer or the Registrar but upon payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed on the Issuer, the Guarantor, the Registrar or the relevant Agent (as the case may be) in relation to such transfer.

## **2.4 Closed periods**

No Holder may require the transfer of a Security to be registered during the period of 15 days ending on the due date for any payment of any principal, premium or interest (including any Deferred Interest Payments) on that Security.

## **2.5 Regulations**

All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Holder who requests one.

# **3 Status and Subordination of the Securities**

## **3.1 Status of the Securities**

The Securities constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Holders in respect of the Securities are subordinated as described in Condition 3.2.

## **3.2 Subordination**

In the event of the liquidation, dissolution, composition or other proceedings for the avoidance of liquidation of the Issuer, the obligations of the Issuer under the Securities will be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer, except in respect of any Parity Obligations or Junior Obligations of the Issuer, so that in any such event no amounts shall be payable in respect of the Securities until the claims of all unsubordinated and subordinated creditors of the

Issuer, except in respect of any Parity Obligations or Junior Obligations of the Issuer, shall have first been satisfied in full. Any such amounts in respect of the Securities shall be payable (i) before any amounts shall be payable in respect of any Junior Obligations of the Issuer and (ii) on a *pari passu* basis in respect of any Parity Obligations of the Issuer.

### **3.3 No set-off**

To the extent and in the manner permitted by applicable law, no Holder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, and arising from, the Securities and each Holder will, by virtue of its holding of any Security, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Issuer may not set-off any claims it may have against the Holders against any of its obligations under the Securities.

## **4 Guarantee**

### **4.1 Guarantee**

The payment of principal, premium (if any) and interest (including any Deferred Interest Payments to the extent due) in respect of the Securities has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the “**Guarantee**”) dated 21 November 2014 and executed by the Guarantor.

### **4.2 Status of the Guarantee**

The obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank and will rank *pari passu* with any Parity Obligations of the Guarantor. The original of the Guarantee is held by the Fiscal Agent on behalf of, and copies are available for inspection by, Holders at its specified office.

### **4.3 Subordination of the Guarantee**

In the event of the liquidation, dissolution, bankruptcy, composition or other proceedings for the avoidance of liquidation of the Guarantor, the obligations of the Guarantor under the Guarantee will be subordinated to the claims of all unsubordinated and subordinated creditors of the Guarantor, except in respect of any Parity Obligations or Junior Obligations of the Guarantor, so that in any such event no amounts shall be payable in respect of the Guarantee until the claims of all unsubordinated and subordinated creditors of the Guarantor, except in respect of any Parity Obligations or Junior Obligations of the Guarantor, shall have first been satisfied in full. Any such amounts in respect of the Guarantee shall be payable (i) before any amounts shall be payable in respect of any Junior Obligations of the Guarantor and (ii) on a *pari passu* basis in respect of any Parity Obligations of the Guarantor.

In bankruptcy proceedings (*Konkursverfahren*) or any form of composition with creditors (*Nachlassverfahren*) in relation to the Guarantor, the Holders shall not be entitled to, and shall not, argue or vote as creditor of the Guarantor or its estate that their claims in respect of the Guarantee rank or be treated senior, *pari passu* or otherwise in competition with any creditors the claims of which are senior to the claims of Holders in respect of the Guarantee.

Each creditor whose claims rank senior to the Guarantee is entitled in his own right to invoke and hold the status of the Guarantee pursuant to this Condition 4 against the Holders and the Guarantor.

#### **4.4 No set-off**

To the extent and in the manner permitted by applicable law, no Holder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising from, the Securities or the Guarantee and each Holder will, by virtue of its holding of any Security, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Guarantor may not set-off any claims it may have against the Holders against any of its obligations under the Guarantee.

### **5 Interest**

#### **5.1 Interest**

Each Security shall entitle the Holder thereof to receive cumulative interest in accordance with the provisions of this Condition 5.

#### **5.2 Interest Rate and Interest Payment Dates**

Interest on the Securities will accrue:

- (a) from (and including) the Issue Date to (but excluding) 28 March 2019 (the “**First Call Date**”) at 4.50 per cent. per annum;
- (b) from (and including) the First Call Date at the relevant Reset Interest Rate,

(each an “**Interest Rate**”) in each case on the principal amount of each Security, which interest will be payable in euro on 28 March 2015 (short first coupon) and thereafter annually in arrear on 28 March of each year (each an “**Interest Payment Date**”).

The Interest Amount payable on any Interest Payment Date shall be calculated on the basis of:

- (i) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due; divided by
- (ii) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

(the “**Day Count Fraction**”)

Interest shall be calculated per Calculation Amount. Accordingly, the amount of interest payable in respect of a Security for a relevant period shall be calculated by (i) multiplying the day count fraction by the product of the Calculation Amount and the applicable Interest Rate, (ii) rounding the resultant figure to the nearest €0.01 (€0.005 being rounded upwards) and (iii) multiplying that rounded figure by a fraction the numerator of which is the principal amount of such Security and the denominator of which is the Calculation Amount.

#### **5.3 Optional deferral of interest payments**

- (a) Unless a Compulsory Distribution Payment Event has occurred, the Issuer may determine in its sole discretion not to pay all or part of the Interest Amount falling due on that Interest Payment Date. If the Issuer determines not to pay all or part of the Interest Amount falling due on an Interest Payment Date, such interest (or part thereof, as the case may be) will not be due and payable, or be paid, until the relevant Payment Reference Date and for so long as the same remains unpaid will constitute a “**Deferred Interest Payment**”. Additional interest will accrue on each Deferred Interest Payment:

- (i) at the same Interest Rate as the principal amount of the Securities bears from time to time; and
- (ii) from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to (but excluding) the date on which the Deferred Interest Payment is satisfied in accordance with Condition 5.4,

and will be added to such Deferred Interest Payment (and thereafter accumulate additional interest accordingly) on each Interest Payment Date. Each Deferred Interest Payment and additional interest thereon will be payable in accordance with Condition 5.4 and otherwise the provisions of Condition 5 with respect to the calculation and accrual of interest shall apply *mutatis mutandis*.

- (b) A “**Compulsory Distribution Payment Event**” will occur if, during the 12 month period ending on the day before the relevant scheduled Interest Payment Date, any of the following has occurred:
  - (i) the Guarantor, the Issuer or any of the Guarantor’s other Subsidiaries paid a dividend (whether in cash, shares or any other form, but not including a dividend consisting solely of newly issued shares), or made a payment of any nature on any shares, unless the recipient of such dividend payment was the Guarantor and/or one or more of its Subsidiaries;
  - (ii) the Guarantor, the Issuer or any of the Guarantor’s other Subsidiaries in its sole discretion, without being compulsorily obliged to do so by the terms of the relevant Parity Obligations or Junior Obligations, paid interest or distributions (not including dividends consisting solely of newly issued shares or redemptions by any means) on any Parity Obligations or Junior Obligations which qualify as IFRS Equity Instruments (other than shares), unless the recipient of such interest or distribution payment was the Guarantor and/or one or more of its Subsidiaries; or
  - (iii) the Guarantor, the Issuer or any of the Guarantor’s other Subsidiaries in its sole discretion, without being compulsorily obliged to do so by the terms of the relevant Parity Obligations or Junior Obligations, repurchased or redeemed any Junior Obligations or Parity Obligations, except in connection with any present or future stock or stock option plan.
- (c) The Issuer will notify the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar of any determination by it not to pay all or part of the Interest Amount which would otherwise fall due on an Interest Payment Date not less than seven Business Days prior to the relevant Interest Payment Date.
- (d) Deferral of Interest Amounts pursuant to this Condition will not constitute a default of the Issuer or a breach of its obligations under the Securities or for any other purpose.

#### **5.4 Payment of Deferred Interest Payments**

- (a) The Issuer may elect to pay any Deferred Interest Payment at any time on the giving of at least 15 days’ prior notice to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar.
- (b) Each Deferred Interest Payment will become due and payable, and the Issuer must pay such Deferred Interest Payment, on the earliest to occur of:



- (i) the next Interest Payment Date in respect of which a Compulsory Distribution Payment Event has occurred;
- (ii) the next Interest Payment Date if the Issuer otherwise elects to pay all or some of the interest scheduled to be paid on such Interest Payment Date;
- (iii) the date on which all of the Securities are redeemed; and
- (iv) the date on which the Guarantor is (or is deemed by law or a court to be) bankrupt or the Issuer or the Guarantor enters into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be).

## 5.5 Increase in Interest Rate

If a Change of Control Event occurs, the Interest Rate will increase once by 2.50 per cent. per annum with effect from (and including) the earliest of (A) the Interest Payment Date immediately following the date on which that Change of Control Event occurs and (B) the 60th calendar day following the date on which that Change of Control Event occurs to (but excluding) the date on which interest ceases to accrue in accordance with Condition 5.6. The occurrence of the Change of Control Event and of such increase in the Interest Rate will be notified by the Issuer to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar as soon as possible. For the avoidance of doubt, the Interest Rate will not further increase by reason of any subsequent Change of Control Event.

A “Change of Control Event” occurs when:

- (a) an offer to acquire issued and fully paid Ordinary Shares of the Guarantor, whether expressed as a public takeover offer, a merger or similar scheme with regard to such acquisition, or in any other way, is made in circumstances where:
  - (i) such offer is available to (A) all holders of Ordinary Shares of the Guarantor, (B) all holders of Ordinary Shares of the Guarantor other than the offeror and any persons acting in concert with such offeror or (C) all holders of Ordinary Shares of the Guarantor other than persons who are excluded from the offer by reason of being connected with one or more specific jurisdictions; and
  - (ii) such offer having become or been declared unconditional in all respects, the Guarantor becomes aware that the right to cast more than 50 per cent. of all the voting rights (whether exercisable or not) of the Guarantor has become unconditionally vested in the offeror and any persons acting in concert with the offeror; or
- (b) the Guarantor consolidates with or merges into any other company; or
- (c) the legal or beneficial ownership of all or substantially all of the assets owned by the Guarantor, either directly or indirectly, is acquired by one or more other persons,

unless: (x) in the event of a merger or consolidation of the Guarantor, the surviving entity has or receives a rating of at least BBB by Standard & Poor’s or the equivalent by Moody’s for its senior unsecured long-term debt on a consolidated basis or (y) in the event of an offer to acquire the Guarantor’s Ordinary Shares, the acquirer (I) has a rating of at least BBB by Standard & Poor’s or the equivalent by Moody’s for its senior unsecured long-term debt or receives such a rating on a consolidated basis after giving effect to the acquisition and (II) assumes or guarantees the Guarantor’s

obligations under the Guarantee whereby such obligations of the acquirer may be subordinated equivalent to the subordination of the obligations of the Guarantor under the Guarantee.

#### **5.6 Accrual**

Interest will cease to accrue on each Security from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Security have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Securities has been received by the Fiscal Agent and notice to that effect has been given to the Holders in accordance with Condition 14.

#### **5.7 Determination and publication of Reset Interest Rate**

The Reset Interest Rate for each Reset Period will be determined by the Calculation Agent on the relevant Reset Determination Date and promptly notified by the Calculation Agent to the Issuer, the Guarantor, the Fiscal Agent and the Registrar and, if required by the rules of any stock exchange on which the Securities are listed from time to time, to such stock exchange, and to the Holders (in accordance with Condition 14), without undue delay but, in any case, not later than the relevant Reset Date.

#### **5.8 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 these Conditions, whether by the Reference Banks (or any of them) or the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Agents and all Holders and (in the absence of negligence and/or wilful default) no liability to the Issuer, the Guarantor or the Holders will attach to the Reference Banks (or any of them) or the Calculation Agent in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 5.

### **6 Redemption and Purchase**

#### **6.1 No fixed redemption date**

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase the Securities in accordance with the following provisions of this Condition 6.

#### **6.2 Early redemption at the option of the Issuer**

The Issuer may redeem the Securities (in whole but not in part) on the First Call Date or on any Interest Payment Date thereafter at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, on the giving of not less than 30 and not more than 45 calendar days' irrevocable notice of redemption to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar.

#### **6.3 Early redemption due to a Gross-Up Event**

If a Gross-Up Event occurs, the Issuer may redeem the Securities (in whole but not in part) at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, on the giving of not less than 30 and not more than 45

calendar days' irrevocable notice of redemption to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar.

Prior to the giving of any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Fiscal Agent (i) a certificate signed by two Authorised Signatories of the Issuer stating:

- (a) that a Gross-Up Event has occurred and stating that the scheduled date for redemption is no earlier than the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payments and not be obliged to pay Additional Amounts in respect of such payments; and
- (b) that the Gross-Up Event cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it

and (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that a Gross-up Event has occurred.

A “**Gross-Up Event**” will occur if, by reason of any change in the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations becoming effective on or after 19 November 2014:

- (a) the Issuer has or will become obliged to pay Additional Amounts; or
- (b) either (i) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer; or (ii) in procuring payment by the Issuer, the Guarantor would be required to withhold or deduct for, or on account of, any present or future Taxes when making any payment to the Issuer and, in either case in making payment itself pursuant to the Guarantee would be required to pay, Additional Amounts,

and such requirement cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it.

#### **6.4 Early redemption due to a Change of Control Event**

If a Change of Control Event occurs, the Issuer may redeem the Securities (in whole but not in part) at their principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments, on the giving of not less than 30 and not more than 45 calendar days' irrevocable notice of redemption to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar. The Issuer may only redeem the Securities by reason of a Change of Control Event within 90 calendar days of that Change of Control Event occurring. Prior to giving any such notice of redemption, the Issuer will deliver or procure that there is delivered to the Fiscal Agent a certificate signed by two Authorised Signatories of the Guarantor stating that a Change of Control Event has occurred.

#### **6.5 Early redemption due to a Tax Event or an Accounting Event**

- (a) If a Tax Event or an Accounting Event occurs, the Issuer may redeem the Securities (in whole but not in part) at any time at:
  - (i) where such redemption occurs prior to but excluding the First Call Date, their Early Redemption Amount; or
  - (ii) where such redemption occurs on or after the First Call Date, the principal amount plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments,

on the giving of not less than 30 and not more than 45 calendar days' irrevocable notice of redemption to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar. Prior to giving such notice of redemption, the Issuer will deliver or procure that there is delivered to the Fiscal Agent:

- (1) a certificate signed by two Authorised Signatories of the Issuer stating:
    - (A) in the case of a Tax Event, that a Tax Event has occurred and that the scheduled date for redemption is no earlier than the latest practicable date on which payments by the Issuer would be treated as tax-deductible; or
    - (B) in the case of an Accounting Event, that an Accounting Event has occurred and stating that the scheduled date for redemption is no earlier than the latest practicable date on which the Guarantor was entitled to treat the Securities as "equity" under the Applicable Accounting Standards; and
  - (2) in the case of a Tax Event only, an opinion of independent legal or tax advisers of recognised standing to the effect that:
    - (A) a Tax Event has occurred; and
    - (B) (x) in the case of the occurrence of a Tax Event as described in item (i) of such definition, immediately prior to the relevant change in the laws or regulations, application or official interpretation of such laws or regulations or other change in the tax treatment of the Securities the Securities were tax-deductible by the Issuer for Irish corporate tax or (y) in the case of the occurrence of a Tax Event as described in item (ii) of such definition, immediately prior to the relevant change in the laws or regulations, application or official interpretation of such laws or regulations or other change in the tax treatment of the Guarantee the payments under the Guarantee were tax-deductible by the Guarantor for Swiss federal, cantonal or communal corporate income tax.
- (b) A "**Tax Event**" will occur if (i) by reason of any change in the laws or regulations of Ireland or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations or any other change in the tax treatment of the Securities becoming effective on or after 19 November 2014, interest payments under the Securities are, or will by the next Interest Payment Date no longer be, tax-deductible by the Issuer for Irish corporate income tax or (ii) by reason of any change in the laws or regulations of Switzerland or any political subdivision therein or any authority thereof or therein having power to tax, any change in the application or official interpretation of such laws or regulations or any other change in the tax treatment of the Guarantee becoming effective on or after 19 November 2014, payments under the Guarantee in respect of interest due under the Securities are, or will by the next Interest Payment Date no longer be, tax-deductible by the Guarantor for Swiss federal, cantonal or communal corporate income tax.

An "**Accounting Event**" will occur if, by reason of a change in the Applicable Accounting Standards or any change in their application or official interpretation, in each case becoming effective on or after 19 November 2014, the Securities no longer qualify as "equity" for the purposes of the preparation of consolidated accounts of the Guarantor under Applicable Accounting Standards.

The “**Early Redemption Amount**” will be 101 per cent. of the principal amount of the Securities, plus any interest accrued up to (but excluding) the relevant Redemption Date and any outstanding Deferred Interest Payments.

#### **6.6 Purchase of Securities and clean-up redemption**

The Issuer, the Guarantor or any Subsidiary of the Guarantor may, subject to applicable law and any rules of any stock exchange or exchanges on which any of the Securities are listed from time to time, at any time purchase any amount of Securities in the open market or otherwise at any price. Such acquired Securities may at the Issuer’s election be cancelled or held or resold.

In the event that the Issuer, the Guarantor and/or any Subsidiary of the Guarantor has, individually or in aggregate, purchased (and not resold) Securities equal to or in excess of 80 per cent. of the aggregate principal amount of the Securities, the Issuer may redeem the remaining Securities (in whole but not in part) at any time at their principal amount plus any interest accrued up to (but excluding) the Redemption Date and any outstanding Deferred Interest Payments, on the giving of not less than 30 and not more than 45 calendar days’ irrevocable notice of redemption to the Holders (in accordance with Condition 14), the Fiscal Agent and the Registrar.

#### **6.7 Cancellations**

All Securities which are (a) redeemed or (b) purchased by or on behalf of the Issuer, the Guarantor or any of the Subsidiaries of the Guarantor, and which the Issuer elects to cancel, will forthwith be cancelled.

### **7 Payments**

#### **7.1 Payments in respect of Securities**

Payments of principal, premium (if any) and interest (including any Deferred Interest Payments to the extent due) in respect of each Security will be made by transfer to the registered account of the Holder or by euro cheque drawn on a bank (nominated in writing to the Registrar by the Holder) that processes payments in euro mailed to the registered address of the Holder if it does not have a registered account, provided that the nomination is received by the Registrar not later than 10 Payment Business Days before any date on which payment is scheduled. Payments of principal and premium (if any) and payments of interest due (including any Deferred Interest Payments due pursuant to Condition 5.4(b)(iii) and (iv)) otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Agents. Interest on Securities due (including any Deferred Interest Payments due pursuant to Condition 5.4(b)) on an Interest Payment Date or due pursuant to Condition 5.4(a) will be paid to the holder shown on the Register at the close of business on the date (the “**record date**”) being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition 7.1, a Holder’s “**registered account**” means the euro account maintained by or on behalf of it with a bank that processes payments in euro, details of which appear on the Register at the close of business in the case of principal and premium (if any), on the second Payment Business Day (as defined below) before the due date for payment and, in the case of interest (including any Deferred Interest Payments to the extent due), on the relevant record date, and a Holder’s “**registered address**” means its address appearing on the Register at that time.

#### **7.2 Payments subject to applicable law**

Payments in respect of amounts payable by way of interest (including any Deferred Interest Payments) and on redemption of the Securities will be subject in all cases to: (i) any fiscal or other laws and

regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8; 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, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

### **7.3 No commissions**

No commissions or expenses shall be charged to Holders in respect of any payments made in accordance with this Condition 7.

### **7.4 Payments on Payment Business Days**

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal and premium (if any) or a payment of interest (including any Deferred Interest Payments due pursuant to Condition 5.4(b)(iii) and (iv)) due otherwise than on an Interest Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Holder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition “**Payment Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London and a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

### **7.5 Partial payments**

If the amount of principal, premium (if any) or interest (including any Deferred Interest Payments) which is due on the Securities is not paid in full, the Registrar will annotate the register of Holders with a record of the amount of principal, premium (if any) or interest (including Deferred Interest Payments) in fact paid.

### **7.6 Agents**

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having its registered office in a European city other than Switzerland;

- (d) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (as amended from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (e) there will at all times be a Registrar; and
- (f) if the Securities are not redeemed on the First Call Date, there will at all times thereafter be a Calculation Agent.

Notice of any termination or appointment and of any changes in specified offices given to the Holders promptly by the Issuer in accordance with Condition 14.

## 8 Taxation and Gross-Up

### 8.1 Payment without withholding

All payments in respect of the Securities and the Guarantee by or on behalf of the Issuer or, as the case may be, the Guarantor, will 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 Relevant Jurisdictions, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Holders after the withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Securities in the absence of the withholding or deduction; except that no Additional Amounts will be payable in relation to any payment in respect of any Security:

- (a) held by or on behalf of a Holder who is liable to such Taxes in respect of such Security by reason of their having some connection with the Relevant Jurisdiction other than the mere holding of the Security; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) (the “**EU Savings Directive Tax Directive**”) or any law implementing or complying with, or introduced in order to conform to, the EU Savings Tax Directive; or
- (c) where such withholding or deduction is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive, including, but not limited to, the agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004, and any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (d) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, in particular, the principle to have a person other than the Issuer to withhold or deduct tax; or
- (e) where such withholding or deduction is required to be made pursuant to any agreement between Switzerland and other countries on final withholding taxes (*Internationale Quellensteuern*) levied by a paying agent in respect of an individual resident in the other country on interest or capital gain paid, or credited to an account, relating to the Securities; or

- (f) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day (as defined in Condition 7); or
- (g) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security to another Paying Agent in a Member State of the European Union.

## **8.2 Additional Amounts**

Any reference in these Conditions to any amounts in respect of the Securities (including in relation to any Deferred Interest Payments) will be deemed also to refer to any Additional Amounts which may be payable under this Condition 8.

## **9 Prescription**

A claim against the Issuer for payment under these Conditions will become void unless made within periods of 10 years (in the case of principal) and five years (in the case of interest, including any Deferred Interest Payments) from the Relevant Date relating thereto.

## **10 Further Issues**

Subject to applicable law, the Issuer may from time to time without the consent of the Holders create and issue further securities or incur further obligations either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same will be consolidated and form a single series with the Securities; or (b) upon such terms as to ranking, distributions or interest, conversion, redemption and otherwise as the Issuer may determine at the time of issue.

## **11 Events of Default**

### **11.1 Non-payment when due**

Subject to Condition 5.3 if neither the Issuer nor the Guarantor pays any principal or any interest or other amount due and payable in respect of the Securities or (as the case may be) pursuant to the Guarantee, in each case in full within a period of 14 days in the case of interest (including any Deferred Interest Payments to the extent due) and seven days in the case of principal (or premium, if any) from its due date, then any Holder may initiate steps, actions or proceedings for the winding-up or dissolution of the Issuer and/or the Guarantor and/or prove in the winding-up or dissolution or claim in the liquidation of the Issuer and/or the Guarantor in respect of the Securities.

### **11.2 Winding-up**

The holder of any Security may give notice to the Issuer that the Security is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with accrued but unpaid interest thereon (including any Deferred Interest Payments), if the Guarantor is (or is deemed by law or a court to be) bankrupt or the Issuer or the Guarantor enters into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be).



## **12 Substitution and Variation**

### **12.1 Substitution or variation following a Gross-Up Event, Tax Event or Accounting Event**

Following the occurrence of a Gross-Up Event, Tax Event or Accounting Event, the Issuer may, instead of redeeming the Securities pursuant to Condition 6.3 or 6.5 (as applicable), without the consent of Holders, either (A) substitute all (but not some only) of the Securities for, or (B) vary the terms of the Securities with the effect that they remain or become, Qualifying Securities.

Any such substitution or variation shall not be permitted if any such substitution or variation would (i) directly give rise to a right to redeem the Securities pursuant to Condition 6 or (ii) result in the Gross-Up Event, Tax Event or Accounting Event (as the case may be) which had led to the operation of this Condition 12.1 continuing to subsist with respect to the Securities or the Qualifying Securities.

“Qualifying Securities” means securities issued directly or indirectly by the Guarantor which:

- (a) have terms not less favourable to Holders than the terms of the Securities prior to the substitution or variation (as reasonably determined by the Issuer and the Guarantor);
- (b) rank at least *pari passu* with the ranking of the Securities prior to the substitution or variation and the provisions regarding duration, redemption amounts, the Interest Rate, the Interest Payment Dates and (where substituted or varied prior to the First Call Date) the First Call Date are not materially changed (as reasonably determined by the Issuer and the Guarantor);
- (c) (if issued indirectly by the Guarantor) have the benefit of a guarantee from the Guarantor on terms not less favourable to Holders than the terms of the Guarantee (as reasonably determined by the Issuer and the Guarantor); and
- (d) are listed on the regulated market of the Irish Stock Exchange or on another European Economic Area regulated market (for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC)) selected by the Issuer.

### **12.2 Notification to Holders**

Any variation or substitution pursuant to or described in this Condition 12 shall be binding on the Holders and notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

## **13 Meetings of Holders and Modification**

### **13.1 Meetings of Holders**

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or the Guarantee 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 Securities for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Securities held or represented by him or them, except that at any meeting the business of which includes 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 Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders will be binding on all Holders, whether or not they are present at the meeting. The Agency

Agreement also provides that a resolution in writing signed by or on behalf of all the Holders shall take effect as an Extraordinary Resolution.

### **13.2 Modification**

The Fiscal Agent may agree, without the consent of the Holders, to any modification of any of these Conditions or any of the provisions of the Guarantee or the Agency Agreement (a) if such modification is of a formal, minor or technical nature, (b) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (c) in any other manner which is not materially prejudicial, as determined by the Issuer, to the interests of the Holders. Any modification shall be binding on the Holders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

### **13.3 Notification to the Holders**

Any modification pursuant to or described in this Condition 13 shall be binding on the Holders and notified by the Issuer to the Holders as soon as practicable thereafter in accordance with Condition 14.

### **13.4 Compliance with stock exchange rules**

In connection with any modification under this Condition 13, the Issuer will comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

## **14 Notices**

All notices regarding the Securities shall be valid if sent by post to the Holders at their respective addresses in the Register. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

## **15 Replacement of Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## **16 Governing Law and Submission to Jurisdiction**

### **16.1 Governing law**

The Securities and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with English law, save for Conditions 3.2 (which will be governed by, and construed in accordance with, the laws of Ireland) and 4.3 (which will be governed by, and construed in accordance with, the substantive laws of Switzerland).

### **16.2 Jurisdiction of English courts**

Each of the Issuer and the Guarantor irrevocably agrees for the benefit of the Holders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising

out of or in connection with the Securities) and accordingly submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceeding arising out of or in connection with the Securities (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Securities) (together referred to as “**Proceedings**”) against the Issuer or the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **16.3 Appointment of process agent**

Each of the Issuer and the Guarantor irrevocably and unconditionally appoints Delice de France Limited at the latter’s registered office for the time being as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

## **17 Rights of Third Parties**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Security, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **18 Definitions**

Unless the context otherwise requires, the following terms will have the following meanings in these Conditions:

“**Accounting Event**” has the meaning specified in Condition 6.5(b).

“**Accrual Date**” has the meaning specified in Condition 5.2.

“**Additional Amounts**” has the meaning specified in Condition 8.1.

“**Agency Agreement**” has the meaning specified in the preamble to these Conditions.

“**Agent**” has the meaning specified in the preamble to these Conditions.

“**Applicable Accounting Standards**” means International Financial Reporting Standards (IFRS) as adapted and amended from time to time by the International Accounting Standards Board or such accounting standards which succeed IFRS as mandatorily applicable to the financial statements of the Guarantor.

“**Authorised Signatory**” means any person who is a Director or the Secretary of the Issuer or the Guarantor (as the case may be).

“**Business Day**” means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

“**Calculation Agent**” means Citibank, N.A., London Branch.

“**Calculation Amount**” means €1,000 in principal amount of Securities.

“**Change of Control Event**” has the meaning specified in Condition 5.5.

“**Code**” has the meaning specified in Condition 7.2.

“**Compulsory Distribution Payment Event**” has the meaning specified in Condition 5.3(b).

“**Conditions**” means these terms and conditions of the Securities.

“**Deferred Interest Payment**” has the meaning specified in Condition 5.3(a) and will, where relevant, include any amount of additional interest accrued thereon in accordance with Condition 5.3(a).

“**Definitive Certificate**” has the meaning specified in Condition 1.1.

“**Early Redemption Amount**” has the meaning specified in Condition 6.5(b).

“**Extraordinary Resolution**” has the meaning given to it in the Agency Agreement.

“**First Call Date**” has the meaning specified in Condition 5.2(a).

“**Fiscal Agent**” has the meaning specified in the preamble to these Conditions.

“**Gross-Up Event**” has the meaning specified in Condition 6.3.

“**Guarantee**” has the meaning specified in Condition 4.1.

“**Guarantor**” has the meaning specified in the preamble to these Conditions.

“**Holder**” has the meaning specified in Condition 1.2.

“**IFRS Equity Instruments**” means any Parity Obligations or Junior Obligations: (a) which are recorded as “equity” in the consolidated accounts of the Guarantor prepared under Applicable Accounting Standards which were published immediately preceding the respective Interest Payment Date, or (b) if no accounts have been prepared since the issue date of the relevant securities, which would be, or are intended by the Guarantor to be, recorded as “equity” in the next published consolidated accounts prepared under Applicable Accounting Standards, unless there is delivered to the Fiscal Agent an officer’s certificate of the Guarantor certifying that the Parity Obligations or Junior Obligations would no longer be treated as “equity” in the consolidated accounts of the Guarantor at the time a payment or other distribution which would otherwise constitute a Compulsory Distribution Payment Event is made in respect of such Parity Obligations or Junior Obligations.

“**Initial Credit Spread**” means 4.27 per cent. per annum.

“**Interest Amount**” means the amount payable per Calculation Amount on an Interest Payment Date.

“**Interest Payment Date**” has the meaning specified in Condition 5.2.

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

“**Interest Rate**” has the meaning specified in Condition 5.2.

“**Issue Date**” means 21 November 2014.

“**Issuer**” has the meaning specified in the preamble to these Conditions.

“**Junior Obligations**” means:

- (a) in respect of the Issuer, any securities or other instruments, including Ordinary Shares, (i) issued by the Issuer which rank or are expressed to rank junior to the Issuer’s obligations in respect of the Securities or (ii) issued by any Subsidiary of the Issuer, having the benefit of a guarantee or keep well agreement by the Issuer, where the obligations under such guarantee or keep well agreement rank or are expressed to rank junior to the Issuer’s obligations under the Securities; and

- (b) in respect of the Guarantor, any securities or other instruments, including Ordinary Shares (i) issued by the Guarantor which rank or are expressed to rank junior to the Guarantor's obligations under the Guarantee or (ii) issued by any Subsidiary of the Guarantor, having the benefit of a guarantee or keep well agreement by the Guarantor, where the obligations under such guarantee or keep well agreement rank or are expressed to rank junior to the Guarantor's obligations under the Guarantee.

**"Margin"** means 2.50 per cent. per annum.

**"Moody's"** means Moody's Investors Service, Inc. (or any of its subsidiaries or any successor in business thereto from time to time).

**"Ordinary Share"** means a fully paid ordinary share in the capital of the Issuer, the Guarantor or any Subsidiary of the Guarantor (as the case may be).

**"Parity Obligations"** means:

- (a) in respect of the Issuer:
- (i) any securities or other instruments issued by the Issuer which rank or are expressed to rank *pari passu* with the Issuer's obligations in respect of the Securities; and
  - (ii) any securities or other instruments issued by a Subsidiary of the Issuer, having the benefit of a guarantee or keep well agreement by the Issuer, where the obligations under such guarantee or keep well agreement rank or are expressed to rank *pari passu* with the Issuer's obligations under the Securities; and
- (b) in respect of the Guarantor:
- (i) any securities or other instruments issued by the Guarantor which rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee; and
  - (ii) any securities or other instruments issued by a Subsidiary of the Guarantor, having the benefit of a guarantee or keep well agreement by the Guarantor, where the obligations under such guarantee or keep well agreement rank or are expressed to rank *pari passu* with the Guarantor's obligations under the Guarantee,

and includes, as at the Issue Date, the Guarantor's outstanding CHF 400,000,000 Perpetual Callable Securities, ISIN: CH0200044813 and the Guarantor's outstanding CHF 190,000,000 Perpetual Callable Subordinated Instruments, ISIN: CH0253592783.

**"Paying Agent"** has the meaning specified in the preamble to these Conditions.

**"Payment Business Day"** has the meaning specified in Condition 7.4.

**"Payment Reference Date"** means: (i) the next following Interest Payment Date on which the Issuer elects to pay the relevant Deferred Interest Payment at its discretion pursuant to Condition 5.4(a); or (ii) the date on which the Issuer is required to pay the relevant Deferred Interest Payment pursuant to Condition 5.4(b).

**"Proceedings"** has the meaning specified in Condition 16.2.

**"Qualifying Securities"** has the meaning specified in Condition 12.1.

**"Redemption Date"** means any date on which the Securities become due for redemption in accordance with these Conditions.

**"Reference Bank"** has the meaning specified in the definition of Reset Reference Bank Rate.

“**Register**” has the meaning specified in Condition 1.1.

“**Registrar**” has the meaning specified in the preamble to these Conditions.

“**Relevant Date**” means the date on which the relevant payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Holders by the Issuer in accordance with Condition 14.

“**Relevant Jurisdiction**” means Ireland or any political subdivision therein or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Switzerland or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor) or in either case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest (including Deferred Interest Payments) on the Securities.

“**Reset Date**” means the First Call Date and each date that falls five, or a multiple of five, years following the First Call Date.

“**Reset Determination Date**” means the second Business Day prior to the relevant Reset Date.

“**Reset Interest Rate**” means, in relation to any Reset Period, the Swap Rate in relation to that Reset Period plus the Initial Credit Spread plus the Margin, subject to any applicable increase pursuant to Condition 5.5.

“**Reset Period**” means the period from and including the First Call Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date.

“**Reset Reference Bank Rate**” means the percentage rate determined on the basis of the Swap Rate Quotations provided by at least five leading swap dealers in the Eurozone interbank market to be determined by the Calculation Agent in consultation with the Issuer and the Guarantor (the “Reference Banks”) to the Calculation Agent at its request at approximately 11:00 a.m. (Brussels time) on the relevant Reset Determination Date. If one quotation is provided, the Reset Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, 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 the Reset Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reset Reference Bank Rate shall be equal to the last Swap Rate available on the Reset Screen Page as determined by the Calculation Agent.

“**Securities**” has the meaning specified in the preamble to these Conditions, and “**Security**” shall be construed accordingly.

“**Standard & Poor’s**” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. (or any of its subsidiaries or any successor in business thereto from time to time).

“**Subsidiary**” means a company the financial statements of which are, in accordance with applicable law or Applicable Accounting Standards, consolidated with those of the Guarantor (other than, where such term is used in the definition of Compulsory Distribution Payment Event only, Origin Enterprises plc and any other company the financial statements of which are, in accordance with applicable law or generally accepted accounting principles, consolidated with those of Origin Enterprises plc) or the Issuer (as applicable).

“**Swap Rate**” means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the mid-swap rate for a term of five years as displayed on Reuters screen “ISDAFix2” (or such replacement page on that service that displays the information) as at 11:00 a.m. (Brussels time) on such Reset

Determination Date (the “Reset Screen Page”). In the event that such mid-swap rate does not appear on the Reset Screen Page on the relevant Reset Determination Date at approximately that time, the Swap Rate will be the Reset Reference Bank Rate.

“**Swap Rate Quotations**” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of five years commencing on the first day of the relevant Reset Period, (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 the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

“**Tax Event**” has the meaning specified in Condition 6.5(b).

“**Taxes**” has the meaning specified in Condition 8.1.

## THE GLOBAL CERTIFICATE

*The Global Certificate contains provisions which apply to the Securities in respect of which they are issued whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions and which are summarised below. Terms defined in the Conditions have the same meaning in paragraphs 1 to 7 below.*

### 1 Accountholders

For so long as any of the Securities are represented by the Global Certificate, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular aggregate principal amount of such Securities (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the aggregate principal amount of such Securities standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Securities (and the expression “**Holders**” and references to “**holding of Securities**” and to “**holder of Securities**” shall be construed accordingly) for all purposes other than with respect to payments on such Securities, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the nominee for the relevant clearing system (the “**Relevant Nominee**”) in accordance with and subject to the terms of the Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

### 2 Cancellation

Cancellation of any Security following its redemption or (at the option of the Issuer) purchase by the Issuer, the Guarantor or any Subsidiary of the Guarantor will be effected by reduction in the aggregate principal amount of the Securities in the register of Holders.

### 3 Payments

Payments of principal and interest (including Deferred Interest Payments) in respect of Securities represented by the Global Certificate will be made upon presentation or, if no further payment falls to be made in respect of the Securities, against presentation and surrender of such Global Certificate to or to the order of the Fiscal Agent or such other Agent as shall have been notified to the holders of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

A record of each payment made will be entered into by or on behalf of the Registrar in the Register of Holders and shall be *prima facie* evidence that payment has been made.

### 4 Notices

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, notices to Holders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by



Condition 14 provided that the Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any such notice shall be deemed to have been given to the Holders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

## **5 Registration of Title**

Registration of title to Securities in a name other than that of the Relevant Nominee will not be permitted unless an Exchange Event occurs. In these circumstances, title to a Security may be transferred into the names of holders notified by the Relevant Nominee in accordance with the Conditions, except that Certificates in respect of Securities so transferred may not be available until 21 days after the request for transfer is duly made.

An “**Exchange Event**” shall occur if:

- (a) (subject to Condition 5.3) neither the Issuer nor the Guarantor pays any principal or any interest (including any Deferred Interest Payments to the extent due) or other amount due and payable in respect of the Securities or (as the case may be) pursuant to the Guarantee, in each case in full within a period of 14 days in the case of interest (including any Deferred Interest Payments to the extent due) and seven days in the case of principal (or premium, if any) from its due date; or
- (b) the Guarantor is (or is deemed by law or a court to be) bankrupt or the Issuer or the Guarantor enters into dissolution and/or liquidation, whether voluntary or not, other than pursuant to a solvent reorganisation or restructuring where the surviving entity assumes substantially all assets and liabilities of the Issuer or the Guarantor (as the case may be); or
- (c) the Issuer has been notified that Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor or alternative clearing system is available.

The Registrar will not register title to the Securities in a name other than that of the Relevant Nominee for a period of one calendar day preceding the due date for any payment of principal, premium or interest (including Deferred Interest Payments) in respect of the Securities.

## **6 Transfers**

Transfers of book-entry interests in the Securities will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

## **7 Calculation of interest**

For so long as all of the Securities outstanding are represented by the Global Certificate, interest will be calculated in respect of the aggregate principal amount of the Securities represented by the Global Certificate (and not per €1,000 in principal amount of Securities as provided in Condition 5.2) but otherwise in accordance with Condition 5.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Securities will be on-lent by the Issuer to other members of the Group and applied by such members of the Group (excluding the Guarantor) for general corporate purposes. Such proceeds will however be used outside of Switzerland unless use in Switzerland is permitted under Swiss tax laws in force from time to time without payments in respect of the Securities becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

## **DESCRIPTION OF THE ISSUER**

### **General**

The Issuer was incorporated in Ireland as a private limited liability company on 16 October 2014, with registration number 551195 under the name Aryzta Euro Finance Limited, under the Companies Acts 1963-2013.

The registered office of the Issuer is at Grange Castle Business Park, Clondalkin, Dublin 22, Ireland. The telephone number of the Issuer is +353 1 464 7200. The fax number of the Issuer is +353 1 464 7489. The authorised share capital of the Issuer is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1 each. The Issuer has issued 1 share which is fully paid. The issued share is held directly by an Irish private unlimited liability company, IAWS Group which, in turn is indirectly wholly owned by the Guarantor.

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### **Directors and Company Secretary**

The Directors of the Issuer are as follows:

- Pat Morrissey
- John McNiff
- Sean Murphy

The business address of each of Pat Morrissey, John McNiff and Sean Murphy is at Grange Castle Business Park, Clondalkin, Dublin 22, Ireland.

The Company Secretary is IAWS Management Services. There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Issuer.

### **Financial Statements**

The Issuer has not prepared financial statements as of the date of this Prospectus. It intends to publish its first financial statements in respect of the period ending on 31 July 2015. The Issuer will not prepare interim financial statements.

The auditors of the Issuer are PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland.

## BUSINESS DESCRIPTION

### Overview

The Guarantor (and, together with its consolidated subsidiaries, the “**Group**”) is a global food business and one of the largest speciality bakery companies in the world on the basis of revenue. The Group manufactures and distributes speciality frozen bakery items and baked goods to a diverse customer base within the food-service, retail and quick service restaurant (“**QSR**”) sectors. The Group operates under a portfolio of business-to-business and consumer brands; its products and capabilities include artisan breads, sweet baked goods and morning goods, individually wrapped ready-to-eat snacks as well as an array of other savoury items such as pizzas, tarts and pies. As at 31 July 2014, the Group operated 60 bakeries and kitchens across North America, South America, Europe, Asia, Australia and New Zealand and employed 18,733 people.

The Guarantor is domiciled and incorporated in Zurich, Switzerland under registration number CHE-114.160.610. The registered office of the Guarantor is at Talacker 41, 8001, Zürich, Switzerland and its telephone number is +41 (0) 445834200. The Guarantor has a primary listing on the SIX Swiss Stock Exchange and a secondary listing on the Irish Stock Exchange. As at 18 November 2014 the Guarantor’s market capitalisation was approximately CHF7,330.0 million.

The Group is organised into three operating segments: (i) Food Europe, (ii) Food North America and (iii) Food Rest of the World (which together constitute the “**Food Group**”). In addition, the Guarantor is the majority shareholder (68.1 per cent. as at the date of this Prospectus) in Origin Enterprises plc (“**Origin**”).

Origin is domiciled and incorporated in Dublin, Ireland and is a leading agri-services group focused on integrated agronomy services and agri-inputs, with operations in Ireland, the United Kingdom, Poland and Ukraine. Origin provides value-added services, technologies and strategic inputs that support the food production activities of primary producers. Origin is listed on Alternative Investment Market (“**AIM**”) in London and the Enterprise Securities Market (“**ESM**”) in Dublin. As at 18 November 2014, Origin’s market capitalisation was approximately €1,040.0 million.

For the fiscal year ended 31 July 2014, the Group reported revenues of €4,809.0 million and EBITA of €565.8 million, as compared to reported revenues of €4,503.7 million and EBITA of €475.6 million for the fiscal year ended 31 July 2013 (representing an increase of 6.8 per cent. and 19.0 per cent., respectively).

### History

On 21 August 2008, IAWS Group plc (“**IAWS**”) and Hiestand Holding AG (“**Hiestand**”) merged (the “**Merger**”) to create a global leader in terms of revenue in the speciality baked goods market. Following the Merger, ARYZTA AG, a newly-incorporated Swiss company, became the holding company of the enlarged group. Immediately prior to the Merger, IAWS was an international lifestyle food business focused on the bakery and convenience food markets, with operations in North America and Europe and was listed on the Irish and London Stock Exchanges. IAWS held a 64.0 per cent. stake in Hiestand, which it had increased over time since its initial acquisition of a 22.0 per cent. stake in 2003; Hiestand was a Swiss publicly-listed leading international manufacturer of gourmet bakery products. The Merger provided the combined entity with a broader range of products and access to additional markets.

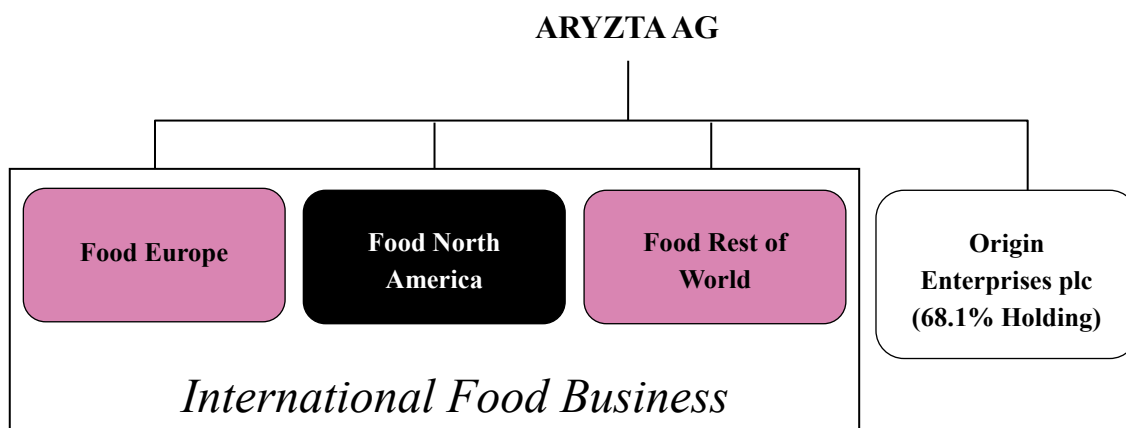
The table below highlights certain key events in the growth and development of IAWS, Hiestand and the Guarantor. Over the years, the Group has undertaken a number of acquisitions that have complemented the organic growth of the Group.

## Key Events

| Calendar year | Event   |
|---------------|---|
| 1988          | • IAWS floats on the Irish Stock Exchange   |
| 1989          | • Shamrock Foods acquired   |
| 1990          | • R&H Hall acquired   |
| 1994          | • United Fish Products (UK) acquired  |
| 1998          | • Cuisine de France acquired  |
| 1999          | • Delice de France acquired   |
| 2000          | • Cuisine de France opens new manufacturing facility in Tallaght, Dublin  |
| 2001          | • La Brea Bakery acquired   |
| 2001          | • Joint venture with Tim Hortons in Canada  |
| 2002          | • La Brea Bakery opens new manufacturing facility in New Jersey   |
| 2002          | • Tim Hortons opens new manufacturing facility in Brantford, Ontario  |
| 2003          | • Acquisition of 22.0 per cent. stake in Hiestand   |
| 2004          | • Carroll Cuisine acquired  |
| 2004          | • Groupe Hubert (Coupe de Pates) acquired   |
| 2006          | • Increased stake in Hiestand to 32.0 per cent.   |
| 2006          | • La Brea Bakery adds further manufacturing capacity to New Jersey facility   |
| 2006          | • Carroll Cuisine opens new manufacturing and distribution facility   |
| 2006          | • Otis Spunkmeyer acquired  |
| 2006          | • Origin is established as a new operating company to create a focus around the core agri-nutrition businesses of the group |
| 2007          | • IAWS raises €100.0 million through the sale of a 29.6 per cent. interest in Origin through an initial public offering.    |
| 2008          | • ARYZTA AG formed by merger between IAWS and Hiestand.   |
| 2009          | • Grangecastle facility commissioned in January 2009  |
| 2010          | • Great Kitchens acquired   |
| 2010          | • Fresh Start Bakeries acquired   |
| 2010          | • Maidstone Bakeries acquired   |
| 2011          | • Honeytop Speciality Foods acquired  |
| 2013          | • Klemme acquired   |
| 2014          | • Pineridge Bakery acquired   |
| 2014          | • Cloverhill Bakery acquired  |

## Corporate Structure

The diagram below shows the Group operating structure as at 31 July 2014:



## Strengths

### Strategically Positioned in a High Growth Segment

The Group operates in the value-added segment of the bakery market, which is structurally different to the traditional bakery segment, and offers a number of efficiencies compared to the traditional model: it is space efficient as value-added products are not produced on-site meaning customers save space which would otherwise be devoted to baking the product; it is labour efficient because customers need not retain skilled employees to perform the baking of the product; and it is also commodity efficient as bulk and off-site production of value-added products typically leads to a higher conversion rate of ingredients to final product. For a combination of the above reasons, the value-added bakery segment is growing market share at a faster rate than the traditional bakery segment.

The Group is positioned to take advantage of the growth in the value-added bakery segment. It operates a flexible manufacturing and distribution model and is quickly able to adapt its product offering to changes in consumer tastes. It is also able to offer products that are tailored to particular regional tastes. In retail, the Group works with its customers to provide value-added concepts through focusing on space profitability and differentiated offerings that satisfy consumers' continuous demand for high quality, appealing and convenient products. In food-service, the Group works with its customers to maximise their profitability through focusing on menus, reducing staff costs, baking time and product waste.

### Geographic Reach

The Group operates across five continents; North America, South America, Europe, Asia and Australia. This offers numerous opportunities for cross selling of products and concepts between markets. The Group believes that its wide geographic footprint is attractive to large-scale international customers, who increasingly seek to source products from a single supplier across the various geographies in which they operate.

The broad reach of the Group's operations is highlighted through the diversity of its revenue stream and operating profits. The Group currently has 60 bakery and kitchen facilities located throughout the geographic locations in which it operates. For the fiscal year ended 31 July 2014, whilst Food North America and Food Europe accounted for the significant majority of the segment's revenues and operating profits, their respective contributions to the Group's revenues and operating profits were approximately equal, illustrating the Group is not dependent on any single market.

## **Channel and Product Diversification**

The Group has a significant presence in large retail, QSR, food-service and retail markets. It is not dependent on any single distribution channel or market segment. Within the retail market, it delivers to customers as diverse as major supermarket chains, local bakeries, independent retailers, petrol stations and convenience stores. Within the food-service market, it delivers to customers across white tablecloth, upmarket and quick service restaurants, as well as customers in industries as diverse as catering, hotels, leisure, hospitals and military. The Group is not reliant on any single retail or food-service customer or group of customers, reflecting a higher-quality and more stable earnings profile. In addition, the Group has a wide portfolio of brands and products which allows it to offer a differentiated food proposition to each customer.

## **Scale**

The Group benefits from being a large international player in the speciality bakery segment. Through various acquisitions, the Group has made considerable investments in a range of manufacturing and innovation facilities.

Recent strategic acquisitions have been key to expanding the Group's scale and capabilities. For example, the acquisition in 2013 of Klemme AG ("**Klemme**"), a leading German bakery, has substantially transformed the Group's European manufacturing footprint and greatly enhanced its channel diversification and product capability within Europe. As a result of this acquisition, the Group gained access to seven additional highly efficient bakeries and multi-product manufacturing capabilities as well as to 2,500 new bakery items. This acquisition has made the Group a leading bakery player in the growing German in-store bakery sector and a leading partner manufacturer for a number of well established European retailers in the speciality bakery sector. Similarly, the acquisitions of Pineridge Bakery ("**Pineridge**") (a leading speciality bakery in Canada) and Cloverhill Bakery ("**Cloverhill**") (a leading manufacturer of individually wrapped ready-to-eat snacks in the United States) have significantly enlarged the Group's manufacturing footprint in North America.

By increasing its scale through such strategic acquisitions and organic expansion, the Group expects to be able to realise material efficiencies, as well as to benefit from incremental revenue opportunities arising, in particular, from its ability to service the needs of large-scale international customers across the geographies in which they operate. As a large-scale, vertically integrated manufacturer and distributor of value-added bakery products, the Group is well positioned to exploit the growth opportunities presented by these structural advantages.

## **Ability to Successfully Undertake and Integrate Acquisitions**

The Group has historically developed through a balanced mix of organic and acquisition growth. However, more recently, acquisitions have been the major source of growth. In the fiscal year ended 31 July 2014, the Food Group invested a total of €862.8 million acquiring new bakeries. Acquisitions add value to the Group's portfolio of brands and give the Group access to new capital assets, new management talent and a wider technological and geographic footprint. The Group has utilised acquisitions as a mechanism to grow market share, improve financial performance and diversify its product offerings. The Group has a long history of identifying and successfully integrating highly targeted strategic acquisitions and has proven to be a disciplined acquirer, based on criteria such as return on invested capital ("**ROIC**") and economic value added ("**EVA**"). The Group has also been extremely efficient in integrating acquisitions, implementing cost savings and taking advantage of other synergies. Recent acquisitions include Pineridge Bakery (2014), Cloverhill Bakery (2014), Klemme AG (2013), Honeytop Speciality Foods (2011), Maidstone Bakeries (2010), Fresh Start Bakeries (2010) and Great Kitchens (2010).

## **Focused Business Model**

In September 2011, the Group announced the ARYZTA Transformation Initiative (“**ATI**”) programme, a three year plan focused on (i) supply chain optimisation, (ii) implementation of an enterprise resource planning (“**ERP**”) system and shared service centres and (iii) upgrading its manufacturing footprint to fewer, larger and more efficient multi-product bakeries. The objective of ATI was to better leverage the Group’s people, capabilities, partnerships and brands and create a customer-focused business with differentiated food propositions for different customers. Prior to embarking on the ATI programme, the Group functioned as a number of independent bakeries and kitchens serving specified markets or customer segments with individual marketing approaches, pricing policies and product portfolios.

The ATI programme (which was substantially completed during the fiscal year ended 31 July 2014) has produced a single go-to-market sales strategy with an aligned product listing and provides full visibility for management and local sales teams of bakery production capacities and customer delivery channels. A key objective of the ATI was to improve ROIC in respect of assets attributable to the Food Group (“**Food Group Underlying ROIC**”) to 15.0 per cent. by the fiscal year ended 31 July 2015. For the fiscal year ended 31 July 2014, Food Group ROIC was 12.0 per cent., while underlying ROIC was 14.2 per cent. The Group has substantially completed its ongoing €460.0 million investment strategy in its existing businesses (which includes both expansion related capital investment and ERP and optimisation investment). In the fiscal year ended 31 July 2014, the Food Group invested a total of €276.8 million upgrading existing bakeries.

## **Strong Financial Performance**

The Group has demonstrated robust financial performance during a period of significant economic volatility, especially in the Group’s key markets of Europe and North America. Group revenue has grown to €4,809.0 million for the fiscal year ended 31 July 2014 from €3,212.2 million for the fiscal year ended 31 July 2009, representing a compound annual growth rate of 8.4 per cent. over this period.

Over this same period, the Food Group itself performed strongly with revenues and EBITA increasing approximately 14.7 per cent. and 18.9 per cent on a compounded basis respectively. During this period, the Group has continued to maintain adequate liquidity on its balance sheet and retain a conservative leverage profile.

## **Strong and Motivated Management Team**

The Group’s senior management team has extensive knowledge and experience in their respective areas of responsibility. In addition, the majority of the Group’s executive directors and executive management have been with the Group since before the Merger and therefore have an in-depth understanding of the Group’s business and operations. For further information please see “- *Management*”.

## **Strategy**

The Group’s key strategic priority is to remain strategically important to its customers, by delivering high quality, safe and innovative products to its customers across a range of channels and markets, whilst also delivering strong profitability and good value for its shareholders and investors. The Group intends to achieve these aims by developing differentiated business models for large and small customers, continuing to leverage the benefits of the ATI and, where appropriate, pursuing selective acquisition opportunities. The key components of the Group’s business strategy can be summarised as follows:

### ***Pursue a “Key Customer Partnership Model” in respect of large strategic customers.***

Approximately 50 per cent. of the Food Group’s revenue in the fiscal year ended 31 July 2014 is derived from its top 20 customers. These customers have combined revenue of over €310,000 million and have access to a wide range of customers, channels and markets. The Group aims to enhance the level of cooperation with



these large customers in order to increase the depth of these relationships by becoming an integral part of their supply chain. The “*Key Customer Partnership Model*” is based around five essential aspects of supply chain excellence identified by the Group, including:

- food safety and quality assurance;
- food traceability and sustainability;
- consumer insights and innovations;
- customers’ operating system efficiency; and
- bakery efficiency and utilisation.

As part of the Key Customer Partnership Model, the Group aims to cooperate closely with its large strategic customers in order to develop and manufacture products specifically tailored to their requirements and thereby ensure that the Group’s production assets are allocated and utilised more efficiently. In the long-term, the Group expects that developing these deep strategic relationships will also better position the Group to capture market share by leveraging the growth of these international customers as they expand into new markets and geographies.

***Continue to develop the Group’s “Food Solutions” business for smaller customers.***

The Group has over 70,000 customers across five continents and 25 countries. Recently, the Group created its “*Food Solutions*” business to more effectively address the needs of smaller independent customers. The Group believes that smaller independent customers are generally highly responsive to consumer trends and innovation and therefore require a larger array of highly differentiated food products to meet consumer demands. In order to satisfy these diverse requirements without over-allocating production assets, the model adopted by the “*Food Solutions*” business is to outsource the manufacturing of such products to external third-party producers. Originally developed by the business in France, the Group currently has approximately 350 external third-party producers. A key strategic priority for the “*Food Solutions*” business will be to further expand and refine the Group’s stringent quality control processes and procedures to address the increase in the number of external third-party producers and uphold the Group’s image, brand and reputation.

***Maximise benefits following the completion of ATI.***

The ATI, which was substantially completed during the fiscal year ended 31 July 2014, improved the Group’s operational efficiency, cost base and ROIC. It did so by harmonising many aspects of the Group’s operations, which had previously been largely decentralised, through the implementation of an enterprise resource planning (“**ERP**”) system and shared service centres. These initiatives enabled the Group’s management to formulate and implement a single sales strategy and product listing, and provided the Group’s management and local sales teams with improved oversight of the Group’s global bakery production capacities and customer delivery channels.

A key strategic priority of the Group is to continue to leverage the benefits created by ATI and identify further synergies and opportunities between the Group’s various businesses. For example, the Group aims to utilise the ERP to identify further opportunities to cross-sell its products to customers across various channels and markets. The Group may also better utilise and deploy talent and skills available within the Group by using its newly implemented “*Human Resource Information System*”. ATI also created a central procurement function which will also present the Group with further opportunities to improve its pricing policy and tender strategies with respect to procurement.

***Continue to develop the Group's business through selective acquisitions in order to stimulate growth and achieve synergies through industry consolidation.***

The Group has historically developed through a balanced mix of organic and acquisition growth. However, more recently, acquisitions have been the major source of growth. The Group will continue to seek and consider opportunities to expand the scale and scope of its operations in order to improve its cost base and/or revenue generating potential, and thereby improve the profitability of the Group. The Group will also seek selective acquisitions in order to meet the needs of its key customers across different geographies in which it is not currently present or prevalent, where it is both profitable and sustainable to do so.

## **Review of Operations**

The Group is organised into three operating segments: (i) Food Europe, (ii) Food North America, (iii) Food Rest of the World (together, the “**Food Group**”). In addition, the Guarantor is the majority shareholder (68.1 per cent. as at the date of this Prospectus) in Origin. A brief description of the operations of the Food Group and Origin is provided below.

For the fiscal year ended 31 July 2014, the Group's total revenue was €4,809.0 million, an increase of 6.8 per cent. as compared to €4,503.7 million for the fiscal year ended 31 July 2013. For the fiscal year ended 31 July 2014, the Group's EBITA increased 19 per cent to €565.8 million as compared to €475.6 million for the fiscal year ended 31 July 2013. Overall, the Group's total profit increased 2.4 per cent. to €159.5 million for the fiscal year ended 31 July 2014 compared to €155.8 million for the fiscal year ended 31 July 2013.

### **Food Group**

The Food Group business is primarily focused on speciality baking, a niche segment of the overall bakery market. Speciality bakery consists of frozen bakery items and freshly baked goods. The Group operates under a portfolio of business-to-business and consumer brands; its products and capabilities range from artisan breads, sweet baked goods and morning goods, individually wrapped ready-to-eat snacks as well as an array of other savoury items such as pizzas, tarts and pies. The Group's customer channels consist of a mix of convenience and independent retail, large (multiple) retail, QSRs and other food-service categories.

For the fiscal year ended 31 July 2014, the Food Group's revenue was €3,393.8 million (70.6 per cent. of the Group's total revenue), an increase of 10.0 per cent. as compared to €3,085.6 million for the fiscal year ended 31 July 2013 (68.5 per cent. of the Group's total revenue). For the fiscal year ended 31 July 2014, the Food Group's EBITA increased by 19.6 per cent. to €486.3 million, as compared to €406.7 million for the fiscal year ended 31 July 2013. Operating profit within the Food Group increased by 6.4 per cent. to €191.8 million for the fiscal year ended 31 July 2014 as compared to €180.2 million for the fiscal year ended 31 July 2013. For the fiscal year ended 31 July 2014, the Food Group invested a total of €1,139.6 million, with €862.8million (net of debt) spent in acquiring new bakeries and €276.8 million invested in upgrading existing bakeries.

The Food Group business is divided into three divisions: (i) Food Europe; (ii) Food North America; and (iii) Food Rest of World.

### **Food Europe**

Food Europe has leading market positions in terms of revenue in the speciality bakery market in Switzerland, Germany, the UK, Ireland, France, Spain, Sweden, Poland and Denmark. Food Europe operates 20 bakeries and kitchens across 14 countries and has a mixture of business-to-business and consumer brands, including: *Hiestand*, *Cuisine de France*, *Delice de France* and *Coup de Pates*. Food Europe has a diversified customer and channel mix including convenience retail, petrol stations, multiple retail, restaurants, catering and hotels, leisure and QSR.

For the fiscal year ended 31 July 2014, Food Europe's revenue was €1,586.3 million (46.7 per cent. of the Food Group's total revenue), an increase of 14.0 per cent. as compared to €1,391.6 million for the fiscal year ended 31 July 2013 (45.1 per cent. of the Food Group's total revenue). For the fiscal year ended 31 July 2014, Food Europe's EBITA increased by 23.8 per cent. to €230.3 million, as compared to €186.0 million for the fiscal year ended 31 July 2013. Food Europe's operating profit increased by 10.6 per cent. to €74.6 million for the fiscal year ended 31 July 2014 as compared to €67.5 million for the fiscal year ended 31 July 2013. The growth in revenue reflects (i) the continued growth in the in-store "bake-off" market as a result of synergies derived from the prior-year acquisition of Klemme.

Food Europe is a market leader in terms of revenue in several categories within the "ready-to-go" market segment, comprising frozen par-baked speciality breads, confectionery, viennoiserie, pastries, savoury hot foods and ready meals. The Group manufactures its traditional French-style breads and limited other products, and outsources the remainder of its manufacturing to more than 350 external partner producers, which allows the Group to improve efficiency and asset utilisation. Finished goods from external partner producers are consolidated daily in warehouses throughout Europe, and product is distributed to customers through Food Europe's distribution network. Recently, the Food Europe business has been reorganised into "*Bakeries*" and "*Food Solutions*". The former covers products which the Group manufactures, (primarily for its top 20 customers pursuant to the "*Key Customer Partnership Model*") and the latter covers goods sourced from external partner producers. For further information see "*Business - Strategy*".

### **Key Food Europe Businesses**

- **Klemme AG** was acquired by the Group in 2013 and operates seven bakeries with multiproduct manufacturing capabilities. Its food range (approximately 2,500 bakery items) includes an assortment of bread rolls and ciabatta, croissants, sweet and savoury pastries, doughnuts and pretzels. The company develops and produces deep-frozen bakery goods for wholesalers, hotels, supermarkets, large bakery chains, fast food chains and home delivery.
- **FSB Europe** (a former subsidiary of Fresh Start Bakeries) was acquired by the Group in 2010 and is a premier supplier of hamburger buns, hot dog buns, rolls, English muffins and other bakery products to the QSR and retail food-service industry.
- **Coup de Pates** is the principal brand of Groupe Hubert which was acquired by the Group in 2004. Groupe Hubert is a leading developer and distributor of bakery products to the bakery, craft and food-service sectors in France, offering over 700 bread, viennoiserie and patisserie products. Groupe Hubert has a customer base comprising over 25,000 independent food retailers. The business has extensive revenue and a wide telesales and logistical network allowing it to service its customers across France on a daily basis.
- **Cuisine de France** was acquired by the Group in 1998 and manufactures and distributes traditional French breads, pastries and a wide range of continental-style breads, confectionery and hot savoury items. Cuisine de France French bread is par-baked in a fully automated plant, packed in food hygiene standard boxes and dispatched to retail stores in a fleet of specially refrigerated vans and trucks. Cuisine de France provides a complete bake-off solution primarily to the retail industry, as well as staff training and category management to enable the timely delivery of ready-to-bake products.
- **Delice de France** was acquired by the Group in 1999 and supplies high quality continental breads, viennoiserie, savoury and confectionery products, including hospitality goods, primarily to the food-service and catering industry. Delice de France offers over 500 products and provides premium solutions tailored to meet future customer and consumer needs. With global sourcing capabilities,

Delice de France's new product development team continually uses its expertise to innovate and develop products and services ideally suited for the food-service market.

- **Hiestand** offers a broad range of innovative bakery products (croissants, bread, rolls, pastries, snacks and pretzels). Hiestand operates an advanced logistical and distribution network to maintain the quality and freshness of its product. Hiestand's core business is frozen bakery products. Germany and Switzerland are Hiestand's core markets, with Hiestand being a market leader in frozen bakery products in terms of revenue in both countries. In addition to the Hiestand group's range of frozen products, a subsidiary, Fricopan, also produces chilled products for key account customers in Germany.

### ***Food North America***

Food North America has leading positions in terms of revenue in the speciality bakery market in the United States and Canada. Food North America operates 29 bakeries and kitchens across the United States and Canada and has a mixture of business-to-business and consumer brands, including: *Fresh Start Bakeries*, *Otis Spunkmeyer*, *Great Kitchens*, *Maidstone Bakeries*, *La Brea Bakery* and, more recently, *Pineridge* and *Cloverhill*. Food North America has a diversified customer base including multiple retail, restaurants, catering, hotels, leisure, hospitals, military, fundraising and QSR. The Group also has well-established partnerships with key global QSR customers, which dominate the North American convenience food landscape.

For the fiscal year ended 31 July 2014, Food North America's revenue was €1,586.6 million (46.7 per cent. of the Food Group's total revenue), an increase of 8.7 per cent. as compared to €1,459.8 million for the fiscal year ended 31 July 2013 (47.3 per cent. of the Food Group's total revenue). The growth in revenue was driven primarily by the acquisition related revenue contribution attributable to Pineridge and Cloverhill. For the fiscal year ended 31 July 2014, Food North America's EBITA increased by 21.0 per cent. to €230.3 million from €190.3 million for the fiscal year ended 31 July 2013. Food North America's operating profit increased by 12.5 per cent. to €100.7 million for the fiscal year ended 31 July 2014, as compared to €89.5 million for the fiscal year ended 31 July 2013.

The Group has made a substantial investment in recent years in developing its Food North America business in the value-added bakery market through acquisitions and capital investment. This has created an operation with modern bakery assets, strong brands and national reach. Since 2010, for example, the Group has acquired new assets including Great Kitchens, Fresh Start Bakeries and Maidstone Bakeries, Pineridge and Cloverhill. The acquisitions of Pineridge and Cloverhill in particular have significantly enlarged the Group's manufacturing footprint in North America. The acquisition of Fresh Start Bakeries has also given the Group additional exposure to emerging markets including Latin America and Asia Pacific.

### ***Key Food North America Businesses***

- **La Brea Bakery** was acquired by the Group in 2001 and is a leading supplier of artisan breads in the United States. La Brea Bakery offers a wide assortment of premium high-quality and rustic breads throughout the U.S. at gourmet grocers, purveyors of fine foods and grocery stores. La Brea Bakery also manufactures a line of par-baked, frozen breads in order to facilitate growth in the artisan bread sector. The frozen breads require minimal handling and no requirements for any special type of equipment, and can be fully baked from frozen in just a few minutes. The retailer or restaurateur additionally benefits by minimising waste through only baking off according to actual demand). La Brea Bakery's bakery facilities are located in New Jersey and California.
- **Otis Spunkmeyer** was acquired by the Group in 2006 and is a premium fresh baked goods brand in the United States. Otis Spunkmeyer enjoys strong brand recognition and awareness across a national customer base in the food-service and retail channels. Otis Spunkmeyer maintains a flexible and low-

cost distribution network that enables it to provide tailored services to a broad range of customers. Otis Spunkmeyer has a diverse revenue mix, in terms of revenue by channel and customer segment. Its products are available in the food-service and retail channels. Within the retail channel, Otis Spunkmeyer primarily sells its own branded muffins, frozen cookie dough and other baked goods. Otis Spunkmeyer also targets the in-store bakery market, principally through the sale of frozen cookie dough to supermarkets in the United States. Otis Spunkmeyer also has a number of long-term contractual relationships with leading food-service customers.

- **Maidstone Bakeries** was acquired by the Group in 2010. The Maidstone Bakeries facility was commissioned, designed and constructed between 2002 and 2003 in partnership with Tim Hortons, the leading QSR in Canada. The investment helped transform the Tim Hortons business by enabling their restaurants to produce freshly baked goods across all parts of the day under their 'always fresh' bakery concept. Maidstone has the capability to produce a broad range of products, both sweet and savoury, including sandwich carriers, handheld snacks and breakfast products to meet the highest quality standards and consistency of product.
- **Fresh Start Bakeries (incorporating Pennant Foods and Sweet Life)** was acquired by the Group in 2010 and is a global supplier of speciality bakery products with a leading position in terms of revenue in the QSR segment. Fresh Start Bakeries has bakery divisions in 23 locations in 11 countries across five continents. Pennant Foods is a leading provider of speciality bakery products and solutions to the North American QSR, food-service and retail in-store bakery channels. Sweet Life is a leading innovator and manufacturer of sweet baked goods servicing the North American and Asian QSR channel.
- **Pineridge** was acquired by the Group in 2014 and is a leading speciality bakery based in Canada in terms of revenue. It is a supplier of fresh and frozen baked goods to the retail, foodservice, private label and co-pack business segments. It is also a manufacturer and distributor of baked and unbaked desserts and breakfast pastries for the in-store bakery and food service business segments.
- **Cloverhill** was acquired by the Group in 2014 and is a leading manufacturer in terms of revenue of individually-wrapped, ready-to-eat snacks in the United States. Cloverhill has a fast growing national footprint and sells speciality baked goods.

### **Food Rest of World**

The Food Rest of World segment covers operations in Brazil, Australia, New Zealand, Malaysia, Japan, Singapore and Taiwan. Food Rest of World operates 11 bakeries and kitchens across nine countries. The Group believes that its relationships with global QSR groups should underpin the Group's future growth prospects in this region, by providing opportunities for revenue growth and capacity expansion.

For the fiscal year ended 31 July 2014, Food Rest of World's revenue was €220.9 million (6.5 per cent. of the Food Group's total revenue), a decrease of 5.6 per cent. as compared to €234.2 million for the fiscal year ended 31 July 2013 (7.6 per cent. of the Food Group's total revenue), principally as a consequence of unfavourable currency movements continuing negatively to impact the region. For the fiscal year ended 31 July 2014, Food Rest of World's EBITA declined by 15.7 per cent. to €25.6 million from €30.4 million for the fiscal year ended 31 July 2013. Food Rest of World's operating profit decreased by 29.1 per cent. to €16.5 million for the fiscal year ended 31 July 2014, as compared to €23.2 million for the fiscal year ended 31 July 2013.

Despite commissioning new bakery capacity during the fiscal year ended 31 July 2014 and total expansion-related capital investments of €13.8 million during the same period, the Food Rest of World segment remains capacity constrained, and accordingly, relies upon imports of products manufactured by the Group as part of

its Food Europe/Food North America operations. Once commissioned, additional local production capacities should increase the margins of the Food Rest of World segment and reduce its exposure to unfavourable currency fluctuations to which it may otherwise be subject as a result of importing finished food products from outside of the region.

## **Origin**

The Guarantor is the major shareholder in Origin, with a holding of 68.1 per cent. as at the date of this Prospectus. Origin is a leading agri-services group focused on integrated agronomy and agri-inputs. Origin provides value added services, technologies and strategic inputs that support the food production activities of primary producers. Origin has operations in Ireland, the United Kingdom, Poland and Ukraine.

Origin has a separate funding structure which is financed without recourse to the Guarantor or its Europe, North America and Food Rest of World business segments.

The Group's consolidated income statement consolidates Origin as required by IFRS. Origin's non-controlling shareholder's holding is then eliminated through "non-controlling interests" within the Group's consolidated income statement (along with an additional non-controlling interest in Food Group subsidiaries) when calculating underlying fully diluted net profit. For the fiscal year ended 31 July 2014, Origin's revenue was €1,415.2 million (29.4 per cent of the Group's total revenue, after eliminating the holding of Origin's non-controlling shareholder), a decline of 0.2 per cent. as compared to €1,418.2 million for the fiscal year ended 31 July 2013 (31.5 per cent. of the Group's total revenue, after eliminating the holding of Origin's non-controlling shareholder). Origin's EBITA increased by 15.4 per cent. to €79.5 million for the fiscal year ended 31 July 2014, as compared to €68.9 million for the fiscal year ended 31 July 2013. Origin's operating profit increased by 2.9 per cent. to €67.6 million for the fiscal year ended 31 July 2014, as compared to €65.6 million for the fiscal year ended 31 July 2013.

The Guarantor received €16.4 million in dividends from Origin during the fiscal year ended 31 July 2014, as compared to €14.3 million received during the fiscal year ended 31 July 2013. Furthermore, during the fiscal year ended 31 July 2014, Origin returned €100.0 million to its shareholders via a tender offer (in respect of which the Guarantor received €71.8 million).

The Guarantor maintains oversight of Origin's operations by the presence of two executive directors on Origin's board of directors.

## **Sourcing, Manufacturing and Distribution**

### **Sourcing**

Efficient and stable procurement of both commodities and products from external partner producers is important to the Group's success. Commodities commonly used by the Group to manufacture its products include flour, wheat, cocoa, fats and oils, corn, soya beans, sugar and sweeteners, butter and fuel. The Group's central procurement team ensures efficiency in supply, traceability and sustainability.

The Group procures items from Europe, Asia, Africa and the Americas sourced strategically after taking into account cost, quality, safety, the nature and reliability of the source, environmental impacts and workplace practices. The Group has historically sought to reduce its total number of suppliers and grow its total spend through strategic and preferred suppliers, with a view to enabling the Group to leverage its increased purchasing power to obtain more favourable terms from suppliers.

The Group's input costs can fluctuate due to various factors including exchange rates (primarily against the U.S. dollar, Canadian dollar, Sterling), commodity prices, changes in crop sizes, government sponsored agricultural programmes, demand spikes, natural disasters, weather conditions during growing and harvesting

seasons, general growing conditions and the effect of insects, plant diseases and fungi. The Group manages its exposure to all commodities through a mix of forward hedging and flexible pricing mechanisms with customers (allowing for sale price to reflect fluctuations in commodity prices).

### **Manufacturing**

As at the date of this Prospectus, the Group operates 60 bakeries and kitchens across 25 countries. Furthermore, the Group outsources the production process for certain products, in whole or in part, to over 350 external partner producers where it is efficient to do so (for example, where product sales are low or uncertain). This helps to minimise the risk of over-investment in manufacturing capacity, especially with respect to new products. Approximately 20.0 per cent. by metric tonne of the Group's production was outsourced during the fiscal year ended 31 July 2014. Details of the Group's manufacturing facilities are included under "*Property*" below.

### **Distribution**

The Group has a diversified distribution network, across a number of geographies and channels which gives the Group access to a wide customer base.

In total the Group has over 78,000 customers operating in excess of 650,000 points-of-sale. This wide customer base ensures that the Group is not excessively exposed or reliant on any single customer. No customer accounts for more than 10.0 per cent. of the Food Group's revenue. Nonetheless, the Group is focused on developing strategic partnerships with key customers through its "*Key Customer Partnership Model*". The top 20 customers account for approximately 50.0 per cent. of the Food Group's revenue which reflects the good relationship that has been developed with key clients. These strategic partnerships deliver mutual benefits to both the Group and its key customers, such as food safety, quality assurance, traceability, sustainability, consumer insights and innovation, customer operating system efficiency and bakery efficiency and utilisation. See "*Strategy – Pursue a 'Key Customer Partnership Model' in respect of large strategic customers*".

The Group has a wide geographical footprint, to ensure that it is not overly exposed to downturns in any particular market. The Group's wide distribution capabilities are supported by an integrated bakery network including 60 bakeries and kitchens across 25 countries in North America (the United States and Canada), Europe (Switzerland, Germany, the UK, Ireland, France, Spain, Sweden, Poland and Denmark) and the Rest of the World (Brazil, Australia, New Zealand, Malaysia, Japan, Singapore, Taiwan), and over 350 external partner producers (which give the Group access to wider markets whilst improving efficiency and asset utilisation see "*Strategy – Continue to develop the Group's 'Food Solutions' business for smaller customers*"). For the fiscal year ended 31 July 2014, 46.7 per cent. of the Food Group's revenue was attributable to Food North America, 46.7 per cent. was attributable to Food Europe and 6.6 per cent. was attributable to Food Rest of the World.

In addition to the wide customer base and wide geographical footprint, the Group's products are also distributed through a wide variety of channels. According to management estimates in respect of the fiscal year ended 31 July 2014, the Food Group's revenues are derived through the following channels: large retail (30.0 per cent.), QSR (26.0 per cent.), other food-service (29.0 per cent.) and convenience and independent retail (15.0 per cent.).

### **Intellectual Property**

The Group seeks to protect its intellectual property rights. The Company has a large portfolio of well known brands, including, among others, "*ARYZTA*", "*Coup de Pates*", "*Cuisine de France*", "*Delice de France*", "*Otis Spunkmeyer*", "*La Brea Bakery*" and "*Hiestand Gourmet Bakery*". The Group's most important brands,

slogans and logos are protected by registered trademarks in the countries in which the Group operates. The Group also has several domain name registries related to its most important brands. In addition to trademarks, the Group also regularly requests patent protection in respect of its machinery and process technologies developed at its manufacturing facilities.

## Research and Development

The Group undertakes research and development work to create new and improved products and to apply new technology to reduce operating costs.

## Information Technology

The Group's administration functions, namely procurement, finance, information services, technical and human resources, are managed on a Group-wide basis through its ERP system SAP.

## Employees

The average numbers of persons employed by the Group during the fiscal years ended 31 July 2014 and 2013 is set out below:

| <b>Average number of persons employed<br/>by the Group during the year</b> | <b>2014</b>   | <b>2013</b>   |
|--|---------------|---------------|
| Sales and Distribution .....   | 4,017         | 3,847         |
| Production .....   | 12,954        | 10,204        |
| Management and administration .....  | 1,762         | 1,544         |
| <b>Average number of Persons employed .....</b>                            | <b>18,733</b> | <b>15,595</b> |

The increase in the average number of employees in the fiscal year ended 31 July 2014 was primarily due to the acquisitions of Pineridge and Cloverhill and acquisition of Klemme part way through fiscal year 2013.

## Pensions

The Group operates a number of defined benefit and defined contribution pension plans in various jurisdictions within both the Food Group and Origin business segments. The majority of plans are externally funded with plan assets held in corresponding separate trustee-administered funds, governed by local regulations and practice in each country.

The trustees of the various pension funds are required by law to act in the best interests of the plan participants and are responsible for investment strategy and plan administration. The level of benefits available to members depends on length of service and either their average salary over their period of employment, their salary in the final years leading up to retirement or in some cases historical salaries, depending on the rules of the individual plan.

Long-term employee benefits included in the Group's consolidated balance sheet comprises the following:



|   | 2014          | 2013          |
|---|---------------|---------------|
|   | € '000s       |               |
| Deficit in Food Group defined benefit plans ..... | 5,692         | 6,536         |
| Deficit in Origin defined benefit plans .....     | 5,193         | 12,385        |
| Total deficit in defined benefit plans .....      | 10,885        | 18,921        |
| Other .....                                       | 1,566         | 3,418         |
| <b>Total</b> .....                                | <b>12,451</b> | <b>22,339</b> |

## Corporate Social Responsibility

The Group is committed to operating as a financially successful and socially responsible business for the long term. This requires balancing the Group's financial strategy and leveraging the Group's global resources to bring about continuous positive change. As part of the ATI, the Group established the "ARYZTA Cares" initiative, which is aimed at promoting active employee and supplier engagement in pursuit of its corporate responsibility goals. The key elements of this programme include:

- Environmental Conservation;
- Ethical Sourcing;
- Supply Chain Excellence;
- Employee Appreciation; and
- Community Engagement.

## Environment

In order to monitor the Group's impact on the environment, key bakery production metrics have been established for monitoring electricity consumption, gas consumption, waste water intensity and overall carbon emissions, which are reported to executive management and the Board of Directors.

The key performance indicator of the success of the *ARYZTA Cares* initiative is the Group's CO<sub>2</sub> footprint. This CO<sub>2</sub> metric and the related calculations are verified annually by an independent third party and are published separately on the Guarantor's website. The Group is an Energy Star Partner and has accepted the Energy Star Challenge to achieve a 10 per cent. reduction in CO<sub>2</sub> emissions by 2019.

The Food Group has recently increased the use of trans-modal shipping, in order to reduce fuel consumption and pollution associated with distribution of its products. When designing and building facilities, the Group incorporates specific LEED principles under the U.S. Green Building Council guidelines, which aim to conserve natural resources, while also providing a healthier and safer environment for employees, lowering operating costs and increasing asset value.

The Group works in partnership with its key international customers in promoting responsible environmental management practices and complies with all applicable industry environmental standards and laws.

## Property

The table below summarises the Group's primary bakeries and kitchen facilities as at 31 July 2014:

| <b>Division</b>            | <b>Location</b>              | <b>Type</b>                  | <b>Title</b> |
|----------------------------|------------------------------|------------------------------|--------------|
| <b>Food Europe</b>         |                              |                              |              |
| Cuisine de France          | Dublin, Ireland              | Manufacturing & Distribution | Freehold     |
| Klemme                     | Eisleben, Germany            | Distribution                 | Freehold     |
| ARYZTA Bakeries UK         | Middlesex, United Kingdom    | Manufacturing & Distribution | Leasehold    |
| HIESTAND SCHWEIZ AG        | Schlieren, Switzerland       | Manufacturing & Distribution | Freehold     |
| FSB Poland Sp Z.O.O        | Strzegom, Poland             | Manufacturing & Distribution | Freehold     |
| <b>Food North America</b>  |                              |                              |              |
| ARYZTA Canada Co           | Brantford, Canada            | Manufacturing & Distribution | Freehold     |
| ARYZTA LLC, Ontario        | California, United States    | Manufacturing & Distribution | Leasehold    |
| ARYZTA LLC, Romeoville     | Chicago, United States       | Manufacturing & Distribution | Leasehold    |
| ARYZTA LLC, Santa Ana      | California, United States    | Manufacturing & Distribution | Leasehold    |
| ARYZTA LLC, Van Nuys       | California, United States    | Manufacturing & Distribution | Leasehold    |
| <b>Food Rest of World</b>  |                              |                              |              |
| ARYZTA New Zealand Limited | Auckland, New Zealand        | Manufacturing & Distribution | Leasehold    |
| Hiestand Malaysia Sdn Bhd  | Selangor, Malaysia           | Manufacturing & Distribution | Leasehold    |
| ARYZTA Australia Pty Ltd   | Melbourne, Australia         | Distribution                 | Freehold     |
| ARYZTA Australia Pty Ltd   | Sydney, Australia            | Manufacturing & Distribution | Freehold     |
| ARYZTA Singapore           | Pandan Loop, Singapore       | Manufacturing                | Leasehold    |
| <b>Origin Enterprises</b>  |                              |                              |              |
| Agrii                      | Andoversford, United Kingdom | Warehouse / Distribution     | Leasehold    |

| <b>Division</b>     | <b>Location</b>             | <b>Type</b>                 | <b>Title</b> |
|---------------------|-----------------------------|-----------------------------|--------------|
| Agroscope           | Dniprodzerzhinsk,<br>Poland | Warehouse /<br>Distribution | Leasehold    |
| Gouldings Chemicals | Cork, Ireland               | Warehouse /<br>Distribution | Freehold     |
| OFUK                | Royston, United<br>Kingdom  | Warehouse / Offices         | Freehold     |
| Origin Group        | Dublin, Ireland             | Offices                     | Leasehold    |

## **Insurance**

The Group maintains types and amounts of insurance coverage that it considers to be consistent with customary industry practices in the jurisdictions in which it operates. The Group's insurance policies cover, among other things, employee-related accidents and injuries, property damage, customer, credit, machinery breakdowns and liability deriving from the Group's activities. The Group's product liability insurance covers liability arising from damages in respect of injury, property damage, nuisance, trespass, or interference with any easement right of air, light, water or way. The Group also maintains directors' and officers' liability and indemnity insurance, which covers the directors and officers against the costs of defending themselves in civil proceedings taken against them in their capacity as a director or officer of the Guarantor and in respect of damages resulting from the unsuccessful defence of any proceedings. The Guarantor undertakes an annual review of its risks and insurance cover at a Group and subsidiary level.

The Group manages risk through the operation of both Global and Local insurance programmes where appropriate. Global policies include; Directors' & Officers' Liability, Crime, Employment Practices Liability, Property Damage & Business Interruption, General, Public & Products Liability, Product Safety & Recall and Business Travel Insurance. Local policies include Workers' Compensation (in our Food North America business), Comprehensive Motor Insurance, Credit Insurance (where appropriate) and various other local policies.

## **Dividend Policy**

At the Annual General Meeting on 2 December 2014, shareholders will be invited to approve a proposed dividend of CHF 0.7646 per share. If approved, the dividend will be paid to shareholders on 2 February 2015. A dividend of CHF 0.6652 per share was paid during the fiscal year ended 31 July 2014, as approved by shareholders at the Annual General Meeting on 10 December 2013.

## MANAGEMENT

### Board of Directors

The Group continually reviews its corporate governance framework to track developments under the SIX Swiss Exchange Directive on Information Relating to Corporate Governance (the “**SIX Directive**”) and to take into account the Swiss Code of Best Practice for Corporate Governance (the “**Swiss Code**”).

The Board of Directors’ policy is that a majority of its members, excluding the Chairman, shall consist of independent non-executive directors in accordance with the provisions of the Swiss Code.

The coming into force on 1 January 2014 in Switzerland of the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (the “**Ordinance**”) will, subject to transitional provisions, bring about certain changes in the Group’s corporate governance. By virtue of the Ordinance, starting from the Annual General Meeting scheduled for 2 December 2014, the General Meeting of shareholders will have the following non-transferable powers:

- annual election of all directors;
- election of the Chairman;
- election of the members of the “Nomination and Remuneration Committee”;
- election of the independent proxy; and
- vote on the compensation of the Board of Directors and executive management.

At 31 July 2014, the Board of Directors consisted of three executive directors and eight non-executive directors, each of whom is considered by the Board of Directors to be independent in character and judgement. Moreover, none of the non-executive directors is party to relationships or circumstances with the Group which, in the Board of Director’s opinion, are likely to affect their judgement.

### Executive Directors

#### ***Owen Killian (1953, Irish)***

Chief Executive Officer and executive director

*Bachelor of Agricultural Science from University College Dublin*

Owen Killian has been Chief Executive Officer of the Guarantor since its admission to trading in 2008. He was previously Chief Executive Officer of IAWS since 2003. Prior to this, he held several executive positions within IAWS since it was listed in 1988. He has also served as the Chairman of the Origin Board of Directors since 2008.

#### ***Patrick McEniff (1967, Irish)***

Chief Financial Officer /Chief Operating Officer and executive director

*Fellow of the Chartered Institute of Management Accountants; Master of Business Administration from Dublin City University*

Patrick McEniff joined IAWS after its listing on the Irish Stock Exchange in 1989 and has fulfilled various senior management roles, focused on finance and systems development. In 2004, he was appointed to the Board of Directors of IAWS as its group finance director. In 2008, upon the formation of the Guarantor, he was also appointed as Chief Financial Officer and member of the Board of Directors and, in 2012, he was also

appointed as Chief Operating Officer of the Group. He has also served as a member of the Origin Board of Directors since 2008.

***John Yamin (1956, American)***

Chief Executive Officer of the Americas and executive director

*Bachelor of Science from Skidmore College, NY*

John Yamin has over 30 years of experience working in the food service industry across North America. He held various executive positions at Starbucks Coffee Company and Caravali Coffee, Inc. from 1994 to 2002. From 1980 to 1994, he held executive management roles at Marriott Corporation, ARAMARK Services and Louise's Trattoria, Inc. In 2002, he joined La Brea Bakery, Inc. as Senior Vice President of Brand Development, which culminated into the Chief Executive Officer role in 2003. He is a member of the Garden School Foundation Board of Directors as well as a fellowship member of the Culinary Institute of America. He became a member of the Board of Directors in December 2013.

**Non-Executive Directors**

***Denis Lucey (1937, Irish)***

Chairman (since August 2008) and non-executive director

*Diploma in Dairy Science from University College Cork*

Denis Lucey has a background in the agricultural co-operative movement in Ireland. In 1982, he was appointed Chief Executive Officer of Mitchelstown Co-Operative Agricultural Society Limited, a position he held until the merger of that co-operative with the Ballyclough Co-Operative Creamery Limited in 1990 and the formation of Dairygold Co-Operative Society Limited. He served as Chief Executive Officer of Dairygold Co-Operative Society Limited until March 2003. He joined the Board of Directors of IAWS as a non-executive director in September 2000, and was elected Chairman of the Board of Directors of IAWS in 2005. He has served as Chairman since the Guarantor's admission to trading on the SIX Swiss Exchange and the Irish Stock Exchange in August of 2008. He is also currently Chairman of the Milk Quota Appeals Tribunal for the Irish Department of Agriculture, Fisheries and Food.

***Charles Adair (1951, American)***

Non-executive director

*Bachelor of Arts in Biology from North Park College and a Master of Science from Michigan State University in Resource Economics*

Charles Adair is Vice Chairman of BMO Capital Markets, a full-service investment bank headquartered in Toronto, Canada. He began his career in the agricultural commodity trading and transportation industries in the U.S. and joined BMO Capital Markets in 1984 in Chicago. He was a leader in the formation of BMO Capital Markets' initial U.S. investment banking effort as one of the senior members of the Chicago investment banking platform in 1995. In addition, he started and continues to lead BMO Capital Markets' Food & Agribusiness Mergers & Acquisitions practice from Chicago. With over 35 years of experience in the food and agribusiness industries, he continues to focus on advising public and private companies on financing and mergers and acquisitions. He became a member of the Board of Directors in December 2010.

***Hugh Cooney (1952, Irish)***

Non-executive director

*Bachelor of Commerce from University College Dublin; Fellow of the Association of Chartered Certified Accountants*

Hugh Cooney is a Certified Accountant with more than 40 years' experience working with a number of major professional advisory firms, including NCB Corporate Finance, Arthur Andersen and BDO in Ireland. He retired from practice in 2008 and is now a consultant with KPMG, Ireland, and a non-executive director of Aon MacDonagh Boland Group (since 2008) and Bio-Medical Research Limited (since 2012), all Irish companies. He became a member of the Board of Directors in December 2011.

***J. Brian Davy (1942, Irish)***

Non-executive director

*Bachelor of Commerce from University College Dublin*

Brian Davy is Chairman of Davy, Ireland's leading provider of stockbroking, wealth management and financial advisory services, and the sponsor of the Guarantor on the Irish Stock Exchange. He graduated from University College Dublin with a Bachelor of Commerce Degree and has spent his entire working career in building up the business and executive team of Davy, where he has worked since 1965. He is a former director of the Irish Stock Exchange and Arnotts plc. He joined the Board of Directors of IAWS as a non-executive director in December 1995. He became a member of the Board of Directors in August 2008.

***Shaun B. Higgins (1950, American)***

Non-executive director

*Bachelor of Business Administration, Public Accounting, Pace University, New York; Advanced Management Program from INSEAD, in addition to executive programs at Harvard, Columbia, Duke and IMD*

Shaun B. Higgins qualified as a Certified Public Accountant while training and working with Ernst & Young, New York, USA, from 1972 to 1977. He worked in the beverage industry from 1977 to 2008, holding various senior finance and operating positions in the Coca-Cola and Seven-Up bottling enterprises in North America and Europe, culminating in the position of Executive Vice President and European President of Coca-Cola Enterprises, Inc. Shaun B. Higgins is a member of the Advisory Board of Carmine Labriola Contracting Corp., and an operating partner of Marvin Traub Associates. He is also a Fellow of the National Association of Corporate Directors. He became a member of the Board of Directors in December 2011.

***Andrew Morgan (1956, English)***

Non-executive director

*Bachelor of Arts from the University of Manchester*

Andrew Morgan has more than 25 years' experience with Diageo Plc ("**Diageo**"), including most recently seven years as President of Diageo Europe. Diageo is the world's leading premium drinks business and a FTSE top 10 company. Mr. Morgan also spent eight years with the Gillette Company in a number of sales and marketing roles. He has held a succession of marketing, strategy and general management positions with Diageo and has lived in London, Athens, Madrid and Barcelona, as well as managing emerging markets in Latin America, Asia and Africa. Mr Morgan is also a member of the Global Advisory Board of British Airways, and was a recent President of AIM and the European Consumer Goods Companies Association. He is also a member of the Council of the University of Leicester and is Chairman of the Centre for International

Business and Management at Cambridge University. He became a member of the Board of Directors in December 2013.

***Götz-Michael Müller (1948, German)***

Non-executive director

*Diplom-Kaufmann Westfälische Wilhelms-Universität, Münster, Germany*

Götz-Michael Müller has 30 years' experience working in fast-moving consumer goods companies in Germany. He worked from 1975 to 1996 with Kraft Foods (formerly Kraft Jacobs Suchard) in various marketing and management positions, culminating in the role of Executive Vice President and Area Director for Kraft Jacobs Suchard, Germany. From 1997 to 2001, he served as member of the executive management (Vice President of marketing & sales) with Brauerei Beck & Co, Bremen, Germany, and from 2001 to 2003 as Managing Director of Coca-Cola GmbH, Berlin, Germany. From 2006 to 2007, Götz-Michael Müller served as a member of the Board of Directors of SIG Combibloc AG (previously SIG Holding AG), Schaffhausen, Switzerland. He is a member of the "Wissenschaftliche Gesellschaft für Marketing und Unternehmensführung" (Academic Society for Marketing and Business Leadership) at the University of Münster, Germany, and the Advisory Board of the Bremen branch of Deutsche Bank, Germany. He became a member of the Board of Directors in December 2011.

***Wolfgang Werlé (1948, German)***

Non-executive director

Wolfgang Werlé has held several positions within the Food and Beverage and Services industries, including President and Chief Executive Officer of Gate Gourmet International from 1992 to 1995 and as President and Chief Executive Officer of SAir Relations from 1996 to 2001, both within the Swissair/SAir-Group. From 2001 to 2008, he served as Chief Executive Officer and Delegate of the Board of Directors of Hiestand International and from 2007 to 2008 as Chairman of Hiestand Holding AG. He has also served on the Board of Directors of Schweizerische Post/Swiss Post Services from 2002 to 2010, and is currently a member of the Board of Directors of Grand Resort Bad Ragaz since 2005 and of Cat Holding AG since 2012. Previously a member of the Board of Directors between August and December 2008, he was re-appointed to the Board of Directors in December 2012.

***Pat Morrissey (1965, Irish)***

Secretary to the Board of Directors, Group General Counsel and Chief Administrative Officer

*Bachelor of Civil Law (UCD, NUI); Solicitor, Law Society of Ireland*

From 1988 to 1998, Pat Morrissey spent his career with Irish law firm LK Shields, where he was admitted as a partner in 1995. In 2000, he joined IAWS as General Counsel and was appointed General Counsel and Company Secretary in 2005. He has served as Group General Counsel and Company Secretary of the Guarantor since its establishment and, effective August 2013, was appointed Chief Administrative Officer of the Guarantor. He is also Company Secretary of Origin. He is not a member of the Board of Directors.

**Group Structure**

The Group is structured conventionally. The General Meeting is the supreme corporate body and the Board of Directors is accountable and reports to the shareholders of the General Meeting, by whom it is elected. The Board of Directors, while entrusted with the ultimate direction of the Guarantor, as well as the supervision and control of management, has delegated responsibility for the day-to-day management of the Group to executive management, to the extent allowed under Swiss law, through the Chief Executive Officer. The

Group's management and organisational structure corresponds to its segmental reporting lines: Food Europe, Food North America, Food Rest of World and Origin.

Each segment's management team is responsible for the day-to-day activities of their segment and reports to executive management, which in turn reports through the Chief Executive Officer to the Board of Directors. Origin constitutes an exception, as it is a public company in its own right, with its own board of directors, separate executive management team, governance structure and ring-fenced financing arrangements. The executive management team within Origin reports to the Origin Board of Directors. The Origin Board of Directors is accountable and reports to its shareholders, including the Guarantor. The Chief Executive Officer, Patrick McEniff, the Chief Financial Officer and the Chief Operating Officer are also members of the Origin Board of Directors. Pat Morrissey, the Guarantor's General Counsel, Company Secretary and Chief Administrative Officer is also Company Secretary of Origin.

### **Group Executive Management**

For financial year 2014, Group executive management consists of Owen Killian (as Group Chief Executive Officer), Patrick McEniff (as Group Chief Financial Officer/Chief Operating Officer), Pat Morrissey (as Group General Counsel, Company Secretary and Chief Administrative Officer) and John Yamin (as Chief Executive Officer of the Americas).

No member of the Group executive management holds management contracts for any company outside the Group.

### **Board Committees**

#### **Audit Committee**

The Audit Committee's powers and responsibilities are set out in its terms of reference and are approved by the Board of Directors. The Head of Internal Audit has access to the Audit Committee at all times. The Chief Financial Officer/Chief Operating Officer regularly attends meetings of the Audit Committee by invitation.

The responsibilities of the Audit Committee, operating under its "terms of reference", include reviewing:

- the Group's draft financial statements and interim results statement prior to Board of Directors' approval and reviewing the external auditor's reports thereon;
- the appropriateness of the Group's accounting policies;
- the audit and non-audit fees payable to the Group's external auditor;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of extended scope of work, key risks to the accounts, confirmations of auditor independence, the proposed audit fee and approving the terms of engagement for the audit;
- the Group's internal financial controls and risk systems;
- the internal audit function's terms of reference, resources, its work programme and reports on its work during the year; and
- the arrangements by which employees may, in confidence, raise concerns about possible fraud.

#### **Nomination and Remuneration Committee**

The powers and responsibilities of the Nomination and Remuneration Committee (the "NRC") are set out in its terms of reference and are approved by the Board of Directors, and include the following:



- determining and approving the remuneration of the executive and non-executive members of the Board of Directors;
- nominating and approving the appointment of members of the Board of Directors (which is ultimately ratified by the General Meeting of the shareholders);
- identifying candidates to fill vacancies to the Board of Directors; and
- performing the continuous review of senior management succession plans.

## **Remuneration**

The NRC is responsible for determining the remuneration of executive and non-executive members of the Board of Directors and for approving the remuneration of other members of senior management, upon the recommendation of the Chief Executive Officer.

Executives are remunerated in line with the level of their authority and responsibility within the Group, with the various elements of the remuneration package for executive management being reviewed annually by the NRC. The NRC reports to the Board of Directors at the next meeting following each meeting of the NRC. The Chief Executive Officer attends meetings of the NRC by invitation only. The elements of the remuneration package for executive management for the financial year ended 31 July 2014 comprised:

- basic salary and benefits (including benefits-in-kind and pension contributions);
- short-term performance-related bonus (measured by reference to performance in the financial year); and
- long-term incentives (as determined in line with the Group's long-term incentive plan).

For the fiscal year ended 31 July 2014, the NRC determined, at its discretion, the level of yearly fees and additional compensation payable to each executive and non-executive member of the Board of Directors for service (i) on a Board of Directors' committee; and (ii) for the chair thereof.

Non-executive members of the Board of Directors were paid a yearly fee of CHF 88,000, reflecting the time commitment and responsibilities of the role. Additional compensation for non-executive directors for service on a Board of Directors' committee was CHF 8,000 and CHF 16,000 for the chair thereof. Non-executive members were not eligible for performance-related payments and did not participate in the long-term incentive plan. Executive directors received no additional compensation for their role as a member of the Board of Directors.

No loans or advances were made by the Group to members of the Board of Directors or to executive management during the 2014 financial year, or were outstanding as at 31 July 2014.

## **Related Party Transactions**

As at the date of this Prospectus, there are no related-party transactions between the Group and the members of the Board of Directors.

## **Conflicts of Interest**

There are no actual or potential conflicts of interest between the duties of the members of the Board of Directors or the executive management of the Guarantor and their private interests or other duties.

## FORM OF GUARANTEE

THIS DEED OF GUARANTEE (the “**Guarantee**”), dated 21 November 2014, is executed and delivered by ARYZTA AG, Talacker 41, 8001 Zürich, Switzerland (company number CHE-114.160.610) (the “**Guarantor**”) for the benefit of the holders (the “**Holders**”) from time to time of the €250,000,000 Perpetual Callable Subordinated Securities (the “**Securities**”) issued by Aryzta Euro Finance Limited (the “**Issuer**”).

WHEREAS the Guarantor desires to cause the Issuer to issue the Securities and the Guarantor desires to issue this Guarantee for the benefit of the Holders, as provided herein.

NOW THEREFORE the Guarantor executes and delivers this Guarantee for the benefit of the Holders.

### 1 Definitions and Interpretation

As used in this Guarantee, capitalised terms not defined herein shall have the meanings ascribed to them in the terms and conditions of the Securities (the “**Conditions**”) and otherwise the following terms shall, unless the context otherwise requires, have the following meanings:

- (a) “**Relevant Jurisdiction**” means Switzerland or any political subdivision or any authority thereof or therein having power to tax or and other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Guarantor becomes subject in respect of payments made by it of principal and interest on the Securities.
- (b) “**Parity Obligations**” means (i) any securities or other instruments issued by the Guarantor which rank or are expressed to rank *pari passu* with the Guarantor’s obligations under this Guarantee; and (ii) any securities or other instruments issued by a Subsidiary of the Guarantor, having the benefit of a guarantee or keep well agreement by the Guarantor, where the obligations under such guarantee or keep well agreement rank or are expressed to rank *pari passu* with the Guarantor’s obligations under this Guarantee, and includes, as at the Issue Date, the Guarantor’s outstanding CHF 400,000,000 Perpetual Callable Securities, ISIN: CH0200044813 and the Guarantor’s outstanding CHF190,000,000 Perpetual Callable Subordinated Instruments, ISIN: CH0253592783.
- (c) “**Junior Obligations**” means any securities or other instruments, including Ordinary Shares (i) issued by the Guarantor which rank or are expressed to rank junior to the Guarantor’s obligations under this Guarantee or (ii) issued by any Subsidiary of the Guarantor, having the benefit of a guarantee or keep well agreement by the Guarantor, where the obligations under such guarantee or keep well agreement rank or are expressed to rank junior to the Guarantor’s obligations under this Guarantee.

### 2 Guarantee

The Guarantor as primary obligor unconditionally and (subject to the operation of Condition 12) irrevocably:

- (a) guarantees to the Holder from time to time of the Securities by way of continuing guarantee the due and punctual payment of all amounts payable by the Issuer on or in respect of the Securities (including any premium or additional amounts which may become payable under Condition 8 (*Taxation and Gross-up*)) as and when the same shall become due according to the Conditions; and
- (b) agrees that, if and each time that the Issuer shall fail to make any payments as and when the same become due, the Guarantor will on demand (without requiring the relevant holder first to take steps against the Issuer or any other person) pay to the relevant Holder the amounts (as to which the certificate of the relevant Holder shall in the absence of manifest error be conclusive) in the currency in which the amounts are payable by the Issuer.

### 3 Subordination of the Guarantee

- 3.1** In the event of the liquidation, dissolution, bankruptcy, composition or other proceedings for the avoidance of liquidation of the Guarantor, the obligations of the Guarantor under this Guarantee will be subordinated to the claims of all unsubordinated and subordinated creditors of the Guarantor, except in respect of any Parity Obligations or Junior Obligations of the Guarantor, so that in any such event no amounts shall be payable in respect of the Securities until the claims of all unsubordinated and subordinated creditors of the Guarantor, except in respect of any Parity Obligations or Junior Obligations of the Guarantor, shall have first been satisfied in full. Any such amounts in respect of this Guarantee shall be payable (i) before any amounts shall be payable in respect of any Junior Obligations of the Guarantor and (ii) on a *pari passu* basis in respect of any Parity Obligations of the Issuer.
- 3.2** In bankruptcy proceedings (*Konkursverfahren*) or any form of composition with creditors (*Nachlassverfahren*) in relation to the Guarantor, the Holders shall not be entitled to, and shall not, argue or vote as creditor of the Guarantor or its estate that their claims in respect of this Guarantee rank or be treated senior, *pari passu* or otherwise in competition with any creditors the claims of which are senior to the claims of Holders in respect of this Guarantee.
- 3.3** Each creditor whose claims rank senior to this Guarantee is entitled in his own right to invoke and hold the status of this Guarantee pursuant to its terms against the Holders and the Guarantor.

### 4 Additional Amounts

All payments made hereunder in respect of the Securities by the Guarantor will 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 Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Guarantor will pay such additional amounts (“**Additional Amounts**”) as may be necessary in order that the net amounts received by the Holders after such withholding or deduction will equal the respective amounts which would otherwise have been receivable in respect of the Securities in the absence of the withholding or deduction; except that no Additional Amounts will be payable in relation to any payment in respect of any Security:

- (a) held by or on behalf of a Holder who is liable to such Taxes in respect of such Security by reason of their having some connection with the Relevant Jurisdiction other than the mere holding of the Security;
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (as amended from time to time) (the “**EU Savings Tax Directive**”) or any law implementing or complying with, or introduced in order to conform to, the EU Savings Tax Directive; or
- (c) where such withholding or deduction is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the EU Savings Tax Directive, including, but not limited to, the agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004, and any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (d) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft

legislation proposed by the Swiss Federal Council on 24 August 2011, in particular, the principle to have a person other than the Issuer to withhold or deduct tax; or

- (e) where such withholding or deduction is required to be made pursuant to any agreement between Switzerland and other countries on final withholding taxes (*Internationale Quellensteuern*) levied by a paying agent in respect of an individual resident in the other country on interest or capital gain paid, or credited to an account, relating to the Securities; or
- (f) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Business Day; or
- (g) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security to another Paying Agent in a Member State of the European Union.

## **5 Continuing Guarantee**

The obligations, undertakings, agreements and duties of the Guarantor under this Guarantee shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

- (a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Securities to be performed or observed by the Issuer; or
- (b) the extension of time for the payment by the Issuer of any amounts payable on or in respect of the Securities, or the extension of time for the performance of any other obligation arising out of, or in connection with, the Securities;
- (c) any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the Conditions, or any action on the part of the Issuer granting indulgence or extension of any kind; or
- (d) the liquidation, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer; or
- (e) any invalidity of, or defect or deficiency in, the Securities or any of the Issuer's obligations thereunder; or
- (f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

## **6 Deposit of Guarantee**

This Guarantee shall be deposited with and held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Guarantee.

## **7 Enforcement; rights of remedy**

- 7.1** Subject to the subsequent paragraphs, a Holder may enforce this Guarantee directly against the Guarantor, and the Guarantor waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Guarantor. Subject to clause 8, all waivers contained in this Guarantee shall be without prejudice to the right to proceed against the Issuer. Following a breach by the Guarantor of its obligations under this Guarantee and subject to the grace periods of 14 days in the case of interest (including any Deferred Interest Payments) and seven days in the case of principal (or premium, if any) from its due date as provided in Condition 11.1, a Holder may initiate steps, actions or proceedings for the winding-up or dissolution of the Guarantor and/or prove in the winding-up or dissolution or claim in the liquidation of the Guarantor in respect of amounts due pursuant to this Guarantee.
- 7.2** To the extent and in the manner permitted by applicable law, no Holder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising from, this Guarantee and each Holder will, by virtue of its holding of any Security, be deemed to have waived all such rights of setoff, counterclaim, compensation or retention. The Guarantor may not set-off any claims it may have against the Holders against any of its obligations under this Guarantee.

## **8 Subrogation**

The Guarantor shall be subrogated to any and all rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee. The Guarantor shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee. If any amount with respect to the Securities shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to pay over such amount to the Holders.

## **9 Status**

- 9.1** The Guarantor acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Securities and that the Guarantor shall be liable as principal and sole debtor hereunder to make payments pursuant to the terms of this Guarantee, notwithstanding the occurrence of any event referred to in paragraph 5.
- 9.2** The Guarantor agrees that the Guarantor's obligations hereunder constitute direct, unsecured and subordinated obligations of the Guarantor and rank as described in clause 3.

## **10 Undertakings of the Guarantor**

- 10.1** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Securities, by the Fiscal Agent will (in the absence of manifest error, negligence, default or bad faith) be binding upon the Guarantor and all Holders and (in the absence of negligence, default or bad faith) no liability to the Guarantor or the Holders will attach to the Fiscal Agent in connection with the exercise or non-exercise by any of them of their powers, duties and discretions pursuant to such provisions.
- 10.2** The Guarantor will take no action that would cause the winding-up of the Issuer unless it is itself being dissolved or liquidated other than (in each case) pursuant to a solvent reorganisation or restructuring

where the surviving entity assumes substantially all the assets and liabilities of the Issuer or the Guarantor (as the case may be).

**10.3** The Guarantor undertakes that the Issuer is and will remain a wholly owned subsidiary of the Guarantor and that the Issuer is and will be neither registered in Switzerland nor managed out of Switzerland or resident in Switzerland for tax purposes.

**10.4** The Guarantor shall procure that the Issuer will, use all proceeds from the issue of Securities outside of Switzerland unless use in Switzerland is permitted under Swiss tax laws in force from time to time without interest payments in respect of the Securities becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

## **11 Termination**

With respect to the Securities, this Guarantee shall terminate and be of no further force and effect upon the valid redemption of the Securities in accordance with the Conditions, provided however that this Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid under the Securities or this Guarantee must be restored by a Holder for any reason whatsoever.

## **12 Transfer**

Subject to operation of law, all guarantees and agreements contained in this Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders.

## **13 Amendments**

Save as provided below, this Guarantee shall only be changeable with the consent of the Holders of the Securities obtained in accordance with the procedures for variation of rights attaching to the Securities referred to in Condition 13 of the Securities.

Subject to all applicable laws and provided any such amendment, modification, alteration or addition would not give rise to a Gross-Up Event, a Tax Event or an Accounting Event, the Guarantor may, without the authority, assent or approval of Holders of the Securities amend, modify, alter or add to this Guarantee:

- (a) if the Guarantor is of the opinion that the amendment, modification, alteration or addition is:
  - (i) of a formal, minor or technical nature;
  - (ii) made to cure any ambiguity; or
  - (iii) made to correct any manifest or proven error or any defective provision contained herein; or
- (b) if the Guarantor is of the opinion that any such amendment, modification, alteration or addition would not be materially prejudicial to the interests of Holders of the Securities as a whole.

## **14 Notices**

Any notice, request or other communication required or permitted to be given hereunder to the Guarantor shall be given in writing by delivering the same or by facsimile transmission (confirmed by mail) addressed to the Guarantor, as follows (and if so given, shall be deemed given against receipt in the case of delivery or upon mailing of confirmation, if given by facsimile transmission), to:

ARYZTA AG  
Talacker 41  
8001 Zürich  
Switzerland

Facsimile: +41 44 583 4249

Attention: Mr. John McNiff

The address of the Guarantor may be changed at any time and from time to time and shall be the most recent such address furnished in writing by the Guarantor to the Fiscal Agent.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Guarantor in the same manner as notices sent by the Issuer to Holders.

## **15 Miscellaneous**

- 15.1** This Guarantee is solely for the benefit of the Holders of the Securities and is not separately transferable from the Securities.
- 15.2** The Guarantor hereby waives notice of acceptance of this Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of non-payment, notice of dishonour, notice of redemption and all other notices and demands.

## **16 Governing Law and Jurisdiction**

- 16.1** This Guarantee, and any non contractual obligations arising out of or in connections with it, shall be governed by, and construed in accordance with, English law (save that clause 3 shall be governed by substantive Swiss law).
- 16.2** The Guarantor agrees for the benefit of the Holders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) (“**Proceedings**”) and accordingly submit to the exclusive jurisdiction of the courts of England.
- 16.3** The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may commence Proceedings arising out of or in connection with this Guarantee against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
- 16.4** The Guarantor irrevocably and unconditionally appoints Delice de France Limited at its registered office for the time being as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

IN WITNESS WHEREOF this Guarantee has been manually executed as a deed poll on behalf of the Guarantor.

**SIGNED, SEALED AND  
DELIVERED** as a deed on behalf  
of  
**ARYZTA AG**  
by its attorney in the presence of:

}

.....  
Signature of witness

Name of witness (block letters)

.....  
By executing this deed the attorney  
states that the attorney has received  
no notice of revocation of the  
power of attorney



## TAXATION

The following is a summary limited to certain tax considerations relating to the Securities as based on the laws in force as of the date of this Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities.

Prospective purchasers of Securities are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Securities, including, but not limited to, the consequences of receipt of payments under the Securities and their disposal or redemption.

### **Irish Taxation**

*The following summary applies to holders of the Securities who are the absolute beneficial owners of the Securities. The summary does not apply to certain other classes of persons, such as dealers in securities. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners.*

*The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective purchasers of the securities should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local tax laws.*

#### ***Irish withholding tax***

In general, withholding tax (currently 20%) must be deducted from interest payments made by Irish tax resident companies such as the Issuer. However, interest on the Securities may be paid without withholding on account of Irish tax as long as, at the time of payment, the Securities remain quoted on a 'recognised stock exchange' and are held in a 'recognised clearing system'. The Irish Stock Exchange is a recognised stock exchange for these purposes. Clearstream Banking SA and Euroclear are both 'recognised clearing systems'. Therefore, for so long as the Securities are listed on the Irish Stock Exchange and are held in Clearstream Banking SA and Euroclear, interest on the Securities may be paid without withholding on account of Irish tax.

#### ***Irish encashment tax***

If a holder of the Securities appoints a person in Ireland to collect interest payments on the Securities on its behalf, Irish encashment tax (currently 20%) may be deducted by the Irish collection agent from the interest payments. A holder of the Securities may claim an exemption from this encashment tax if it is the beneficial owner of the interest, is not tax resident in Ireland and makes a written declaration to this effect to the collecting agent.

#### ***Irish income tax***

Generally, if a holder of the Securities is a person who is tax resident in Ireland, the holder of the Securities will be subject to Irish tax on its worldwide income (including interest earned on the Securities). An Irish resident holder of the Securities will be obliged to account for any Irish tax on a self-assessment basis; there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

If a holder of the Securities is not tax resident in Ireland, the holder of the Securities will generally only be subject to Irish tax on its Irish source income (again, on a self-assessment basis). Interest payable on the

Securities may be regarded as Irish source income on the basis that the Issuer resides in Ireland. However, provided the Securities remain quoted on a recognised stock exchange and are held in a recognised clearing system, a holder of the Securities will be exempt from Irish income tax on interest paid in respect of the Securities if the holder of the Securities is regarded, for the purposes of section 198 of the Taxes Consolidation Act 1997 of Ireland, as being:

- (a) a resident of a European Union member state (other than Ireland) or a territory with which Ireland has a double tax treaty having the force of law (and containing an article dealing with interest or income from debt claims) and is not tax resident in Ireland;
- (b) a company controlled (directly or indirectly) by a person or persons who are resident(s) of a 'relevant territory' (and who are not themselves controlled, directly or indirectly, by a person or persons not resident in a 'relevant territory'); or
- (c) a company where the principal class of its shares (or if the company is a subsidiary, the principal class of its ultimate 75% parent company's shares or if the company is wholly-owned by two or more companies, the principal class of each of those companies' shares) is substantially and regularly traded on a recognised stock exchange in a 'relevant territory' or Ireland.

A 'relevant territory' means a European Union member state (other than Ireland) or a territory with which Ireland has a double tax treaty (containing an article dealing with interest or income from debt claims) that either (a) has the force of law, or (b) will, on completion of the necessary procedures, have the force of law. A list of the territories with which Ireland has entered into a double tax treaties is available on [www.revenue.ie](http://www.revenue.ie).

If the above exemption does not apply to a holder of the Securities, it is understood that there is a long standing unpublished practice of the Irish Revenue Commissioners that no action will be taken to pursue any liability to such Irish tax if the holder of the Securities is not resident in Ireland, unless the holder of the Securities:

- (a) is chargeable to Irish tax in the name of another person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest;
- (b) seeks to claim relief or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) is chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There is no assurance that this practice will continue to apply.

### ***Irish capital gains tax***

If a holder of the Securities is not tax resident (or ordinarily resident) in Ireland, the holder of the Securities will not be subject to Irish tax on capital gains arising on a disposal of the Securities, provided the holder of the Securities does not hold the Securities for the use of or for the purposes of an Irish branch or agency.

If a holder of the Securities is tax resident (or ordinarily resident) in Ireland, the holder of the Securities may be subject to Irish tax on capital gains arising on a disposal of the Securities if the Securities constitute a 'debt on a security' or if the holder is not the original owner of the Securities. Broadly, a 'debt on a security' includes a debt security whose value can vary in accordance with market conditions so that a holder could make a profit on its disposal.

### ***Irish gift and inheritance tax***

If the Securities are comprised in a gift or inheritance, Irish capital acquisitions tax (currently 33%) may apply to the donee (or successor) if:

- (a) the disponent of the gift or inheritance is Irish domiciled, resident or ordinarily resident;
- (b) the recipient of the gift or inheritance is resident or ordinarily resident in Ireland; or
- (c) the Securities are regarded as property located in Ireland.

The Securities could be regarded as property located in Ireland because the Issuer resides in Ireland. Consequently, a recipient of a gift or inheritance of the Securities may be liable to Irish capital acquisitions tax (even though neither the disponent nor the recipient may be domiciled, resident or ordinarily resident in Ireland at the relevant time).

### ***Irish stamp duty***

No Irish stamp duty is payable on the issue of the Securities. No Irish stamp duty is payable on the transfer of the Securities.

## **Swiss Taxation**

*The following discussion is a summary of certain material Swiss tax considerations relating to an investment in the Securities. The discussion is based on legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Securities. The tax treatment for each investor depends on the particular situation of such investor. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of the Securities in light of their particular circumstances.*

### ***Swiss Federal Withholding Tax***

Payments by the Issuer or Guarantor of interest on, and repayment of principal of, the Securities, will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes and that the proceeds will be used outside Switzerland at all times while any Securities are outstanding.

On August 24, 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss federal withholding tax at a rate of 35 per cent. on any payment of interest in respect of a debt security to an individual resident in Switzerland or to a person resident outside of Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss federal withholding tax were to be deducted or withheld from that payment, it is possible that neither the Issuer nor any paying agent nor any other person would pursuant to the terms of the Securities be obliged to pay additional amounts with respect to any debt security as a result of the deduction or imposition of such withholding tax.

### ***Swiss Federal Stamp Taxes***

The issue and redemption of Securities by the Issuer are not subject to Swiss federal stamp duty on the issue of securities.

Purchases or sales of Securities with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate

of up to 0.3 per cent. of the purchase price of the Securities. Where both the seller and the purchaser of the Securities are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

#### ***Income Taxation on Principal or Interest***

##### ***(i) Securities held by non-Swiss holders***

Payments by the Issuer or Guarantor of interest and repayment of principal to, and gain realised on the sale or redemption of Securities by, a holder of Securities who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Securities are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

##### ***(ii) Securities held by Swiss holders as private assets***

An individual who resides in Switzerland and privately holds a Security is required to include all payments of interest received on such Security as well as an original issue discount or a repayment premium in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Security) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Securities realize either a tax-free private capital gain or a non-tax-deductible capital loss. See “Securities held as Swiss business assets” below for a summary on the tax treatment of individuals classified as “professional securities dealers.”

##### ***(iii) Securities held as Swiss business assets***

Individuals who hold Securities as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Securities as part of a permanent establishment or fixed place of business in Switzerland are required to recognise the payments of interest and any capital gain or loss realised on the sale or other disposition of such Securities in their income statement for the respective tax period and will be taxable on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as “professional securities dealers” for reasons of, inter alia, frequent dealings and leveraged transactions in securities.

#### ***Taxes withheld by Switzerland for other countries***

##### ***(i) European Savings Tax***

On October 26, 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland will adopt measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments.

In accordance with this agreement and the Swiss law implementing this agreement respectively, Swiss paying agents have to withhold tax at a rate of 35 per cent. on interest payments made under the Securities to a beneficial owner who is an individual resident in an EU member state, with the option for that individual to have the paying agent and the Swiss tax authorities to provide to the tax authorities of the EU member state the details of the interest payments in lieu of the withholding.

##### ***(ii) Foreign Final Withholding Tax***

The Swiss Federal Council recently signed treaties with the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties entered into force on 1 January 2013.

According to the treaties, a Swiss paying agent may levy a final withholding tax on capital gains and on certain income items deriving, inter alia, from Securities. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

Holders of Securities who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

### **EU Savings Directive**

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Securities) nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

### **Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the “**Draft Directive**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

According to the draft Directive, the FTT shall be payable provided that at least one party to the financial transaction is established (or deemed established) in a participating Member State and that there is a financial institution established (or deemed established) in a participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall not, however, apply

to primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction or where the transaction has been carried out on its account.

Prospective holders should therefore note, in particular, that if the Draft Directive is implemented by the Participating Member States in its current form, any sale, purchase or exchange of the Securities will be subject to the FTT at a minimum rate of 0.1 per cent, provided the abovementioned prerequisites are met. The holder may be liable itself to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Securities.

The Draft Directive is still subject to negotiation between the participating Member States and therefore may be changed at any time. Moreover, if and once the Draft Directive has been adopted and becomes a directive (the “**Directive**”), it will need to be implemented into the respective domestic laws of the participating Member States and domestic measures implementing the Directive might deviate from the Directive itself. Furthermore, it should be noted that on 18 April 2013 the United Kingdom challenged the legality of the FTT before the European Court of Justice. This legal challenge has, however, no suspending effect. Prospective holders of the Securities should consult their own tax advisers in relation to the consequences of the FTT and associated with the subscription, purchase, holding or disposal of the Securities.

## SUBSCRIPTION AND SALE

BNP Paribas, J.P. Morgan Securities plc and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated 19 November 2014 jointly and severally agreed to subscribe or procure subscribers for the Securities at the issue price of 99.540 per cent. of the principal amount of Securities, less commissions, subject to the provisions of the Subscription Agreement.

The Issuer has also agreed to reimburse the Managers in respect of certain of their expenses and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Securities.

The Subscription Agreement may be terminated in certain circumstances prior to payment to the Issuer.

### United States

The Securities and the Guarantee 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 the registration requirements of the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities (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 Issue 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 Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities and the Guarantee 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.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### United Kingdom

Each Manager has represented, agreed and undertaken that:

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

## **Ireland**

Each Manager has represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the “**2005 Act**”);
- (b) the Companies Acts 1963 to 2013;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Section 34 of the 2005 Act, and will assist the Issuer in complying with its obligations thereunder; and
- (e) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

## **Switzerland**

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

## **General**

No action has been taken by the Issuer, the Guarantor or any of the Managers that would, or is intended to, permit a public offer of the Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Securities or distribute or publish any prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Securities by it will be made on the same terms.



## **GENERAL INFORMATION**

### **Authorisation**

The issue of the Securities was duly authorised by a resolution of the Board of Directors of the Issuer dated 14 November 2014 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Guarantor dated 25 September 2014.

### **Listing**

Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on the Main Securities Market. The total expenses related to the admission to the Official List are expected to amount to approximately €5,000.

### **No material adverse or significant change**

There has been no significant change in the financial or trading position of the Issuer since the date of its incorporation and there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.

There has been no significant change in the financial or trading position of the Guarantor since 31 July 2014 and there has been no material adverse change in the financial position or prospects of the Guarantor since 31 July 2014.

### **Litigation**

Neither the Issuer nor the Guarantor is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this Prospectus (in the case of the Guarantor) or since the date of its incorporation (in the case of the Issuer) which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Guarantor.

### **Clearing Systems**

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS1134780557 and the Common Code is 113478055.

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

### **Auditors**

The auditors of the Guarantor are PricewaterhouseCoopers AG of Birchstrasse 160, 8050 Zurich, Switzerland, who are members of the Swiss Institute of Certified Accountants and Tax Experts and who have audited, without qualification, the Guarantor's consolidated financial statements incorporated by reference into this Prospectus and prepared in accordance with International Financial Reporting Standards and Swiss law, for each of the two financial years ended 31 July 2014 and 31 July 2013. These auditors' reports are also incorporated by reference into this Prospectus. The auditors of the Guarantor have no material interest in the Guarantor.

The auditors of the Issuer are PricewaterhouseCoopers of One Spencer Dock, North Wall Quay, Dublin 1, Ireland who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland. The auditors of the Issuer have no material interest in the Issuer. Since the date of its incorporation, no financial statements of the Issuer have been prepared.

## **Documents**

For so long as any Securities remain outstanding, copies of the following documents will be available for physical inspection from the registered office of the Fiscal Agent during office hours:

- (a) the constitutional documents of the Issuer and the constitutional documents (with an English translation thereof) of the Guarantor;
- (b) the group consolidated audited financial statements of the Guarantor in respect of the two financial years ended 31 July 2014 and 31 July 2013 together with the statutory auditors' reports;
- (c) the Agency Agreement and the Guarantee; and
- (d) a copy of this Prospectus.

## **Post-issuance information**

Neither the Issuer nor the Guarantor intends to provide any post-issuance information in relation to this issue of Securities.

## **Yield to the First Call Date**

If the Issuer were to pay interest on each scheduled Interest Payment Date up to and including the First Call Date, and were to redeem the Securities on the First Call Date, the yield of the securities would be 4.625 per cent. per annum on the basis of the Issue Price and as at the date of this Prospectus.

## **Managers transacting with the Issuer and the Guarantor**

The Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor or their respective affiliates. They have received, and may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their respective affiliates. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**THE ISSUER**

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Ireland

**THE GUARANTOR**

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**FISCAL AGENT**

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**REGISTRAR**

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### *To the Guarantor*

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## **JOINT LEAD MANAGERS AND JOINT STRUCTURING ADVISERS TO THE ISSUER**

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## **JOINT LEAD MANAGER**

#### **Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)**

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## **LISTING AGENT**

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