

## Public Exchange Offer

by

### Swiss Re Ltd, Zurich

(“Swiss Re Ltd”)

for all publicly held

registered shares of Swiss Reinsurance Company Ltd, Zurich (“SRZ”)  
with a nominal value of CHF 0.10 each  
(the “Exchange Offer”)

<b>Exchange Ratio</b>	<b>1 registered share of SRZ</b> with a nominal value of CHF 0.10 (an “SRZ Share” or the “SRZ Shares”)  is exchanged for  <b>1 registered share of Swiss Re Ltd</b> with a nominal value of CHF 0.10 (a “Swiss Re Ltd Share” or the “Swiss Re Ltd Shares”)
<b>Initial Acceptance Period</b>	15 April 2011 to 17 May 2011, 16:00 CEST (subject to extension, if any)

SRZ Shares	Swiss Security Number	ISIN	Ticker Symbol
Non-tendered shares	1 233 237	CH 001 233237 2	RUKN
Tendered shares (2 <sup>nd</sup> Trading line, to be exchanged for Swiss Re Ltd Shares)	12 688 128	CH 012 688128 0	RUKNE
Tendered shares (not traded, for receipt of cash proceeds from the sale of Swiss Re Ltd Shares)	12 688 133	CH 012 688133 0	—
Swiss Re Ltd Shares	12 688 156	CH 012 688156 1	SREN

### Credit Suisse

Offer prospectus dated 31 March 2011  
(the “Offer Prospectus”)

## Offer Restrictions

The ability of holders of SRZ Shares (the “**SRZ Shareholders**” or an “**SRZ Shareholder**”) who are not resident in Switzerland to accept the Exchange Offer may be affected by the laws of the relevant jurisdiction in which they are located or of which they are citizens. Persons who are not resident in Switzerland should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In addition, any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Offer Prospectus and/or any other related document to any jurisdiction outside Switzerland should inform itself of, and observe, any applicable legal or regulatory requirements of such jurisdiction.

The release, publication or distribution of this Offer Prospectus in jurisdictions other than Switzerland may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than Switzerland should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Offer Prospectus has been prepared for the purposes of complying with articles 22 *et seq.* of the Swiss Federal Act on Stock Exchanges and Securities Trading of 24 March 1995 (“**SESTA**”) and the information disclosed herein may not be the same as that which would have been disclosed if this Offer Prospectus had been prepared in accordance with the laws of any jurisdiction other than Switzerland.

## European Economic Area

The Exchange Offer is only being made within the European Economic Area (“**EEA**”) pursuant to an exemption under Directive 2003/71/EC (together with any applicable adopting or amending measures in any relevant member state (as defined below), the “**Prospectus Directive**”), as implemented in each member state of the EEA (each, a “**relevant member state**”), from the requirement to publish a prospectus that has been approved by the competent authority in that relevant member state and published in accordance with the Prospectus Directive as implemented in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive. Accordingly, in the EEA, the Exchange Offer and documents or other materials in relation to the Exchange Offer and the Swiss Re Ltd Shares are only addressed to, and are only directed at, (i) qualified investors (“**qualified investors**”) in a relevant member state within the meaning of Article 2(1)(e) of the Prospectus Directive, as adopted in the relevant member state, and (ii) persons who hold, and will tender, the equivalent of at least €50,000 worth of SRZ Shares in exchange for the receipt of Swiss Re Ltd Shares (collectively, “**permitted participants**”). This Offer Prospectus may not be acted or relied upon by persons in the EEA who are not permitted participants, and each SRZ Shareholder seeking to participate in the Exchange Offer that is resident in the EEA will be deemed to have represented and agreed that it is a qualified investor or that it is tendering the equivalent of at least €50,000 worth of SRZ Shares in exchange for Swiss Re Ltd Shares.

## United Kingdom

With reference to the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), the Exchange Offer and any materials in relation to the Exchange Offer and the Swiss Re Ltd Shares are only directed at persons in the United Kingdom that are (a) investment professionals falling within Article 19(5) of the Order or who fall within Article 49(2)(a) to (d) of the Order; (b) holders of SRZ Shares at the time of communication of the Exchange Offer and such materials; or (c) persons to whom they may otherwise lawfully be communicated (all such persons in (a), (b) and (c) being “**relevant persons**”). In the United Kingdom, the Swiss Re Ltd Shares are only available to, and the Exchange Offer may only be accepted by, relevant persons who are also permitted participants, and as such, any investment or investment activity to which this document relates is available only to, and may be relied upon only by, relevant persons who are also permitted participants.

## Hong Kong

This Offer Prospectus does not constitute an offer, solicitation or invitation to the public in Hong Kong to purchase the Swiss Re Ltd Shares. No steps have been taken to register this Offer Prospectus in Hong Kong and the contents of this Offer Prospectus have not been reviewed by any regulatory authority in Hong Kong. Unless permitted to do so by the securities laws of Hong Kong, no person may issue or have in its possession this Offer Prospectus or any other information, advertisement or document relating to the Swiss Re Ltd Shares, whether in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to the

Swiss Re Ltd Shares that are intended to be disposed of only to (a) “Professional Investors” within the meaning of the Securities and Futures Ordinance (CAP. 571) of Hong Kong and (b) “qualifying persons” within the meaning of the Companies Ordinance (CAP. 32), and any rules made thereunder. You are advised to exercise caution in relation to the disposition of the Swiss Re Ltd Shares. If you are in any doubt about any of the contents of this Offer Prospectus, you should obtain independent professional advice.

## **Singapore**

This Offer Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore and may not be circulated or distributed in Singapore nor may any of the Swiss Re Ltd Shares be offered for subscription, directly or indirectly, nor may any invitation to subscribe for any of the Swiss Re Ltd Shares be made in Singapore except in circumstances in which such offer or sale is made pursuant to, and in accordance with the conditions of, an exemption invoked under Subdivision (4) Division I of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore, and to persons to whom the Swiss Re Ltd Shares may be offered or sold under such exemption. By accepting this Offer Prospectus, the recipient hereof represents and warrants that he is entitled to receive it in accordance with the restrictions set forth above and agrees to be bound by limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

## **Other Jurisdictions**

The Exchange Offer will not be made, directly or indirectly, in or into any other jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance within any such jurisdiction. Accordingly, copies of this Offer Prospectus are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any such other jurisdiction, and persons receiving this Offer Prospectus (including, without limitation, custodians, nominees and trustees) must not mail or otherwise distribute or send it in or into such jurisdiction, as doing so may invalidate any purported acceptance of the Exchange Offer.

## **Information for U.S. Shareholders and ADS Holders**

SRZ Shareholders resident or otherwise located in the United States (“**U.S. Shareholders**”) and holders of American Depositary Shares (“**ADS Holders**”) representing SRZ Shares (“**ADSs**”) are urged to read the information set forth in Annex 1 of this Offer Prospectus.

The Swiss Re Ltd Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities law of any state or other jurisdiction of the United States. The Swiss Re Ltd Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, unless Swiss Re Ltd is satisfied, in its sole discretion, that the Swiss Re Ltd Shares can be offered, sold or delivered to a U.S. Shareholder, or for its account or benefit, pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, such U.S. Shareholder that validly accepts the Exchange Offer will receive, in lieu of Swiss Re Ltd Shares to which it would otherwise be entitled under the terms of the Exchange Offer, the net cash proceeds of the sale of such Swiss Re Ltd Shares.

The Exchange Offer is not being extended to holders (in their capacities as such) of ADSs. ADS Holders who wish to participate in the Exchange Offer should surrender their ADSs to the depositary, JPMorgan Chase Bank N.A., Four New York Plaza, New York, NY 10004, USA (the “**ADS Depositary**”), under the Deposit Agreement in respect of the ADSs (the “**Deposit Agreement**”), in order to receive underlying SRZ Shares (upon compliance with the terms of the Deposit Agreement). Moreover, at SRZ’s request, the ADS Depositary terminated the ADS program on 21 March 2011. ADS Holders who own ADSs through a broker or other nominee should consult their broker or nominee with respect to the foregoing.

The Exchange Offer is subject to Regulation 14E of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). The SRZ Shares are not registered under the Exchange Act and, therefore, Swiss Re Ltd will not file a Schedule TO. The Exchange Offer is being made in respect of the securities of a Swiss company, and is subject to Swiss disclosure requirements. This Offer Prospectus has been prepared in accordance with Swiss format and style, which are different from those that would apply in an exchange offer for securities of a U.S. company or an exchange offer subject to Regulation 14D of the Exchange Act. In addition, acceptance and other procedures with respect to the Exchange Offer will be made in accordance with Swiss law and practice, which may differ from U.S. tender offer procedures.

In the United States, the Exchange Offer is being made solely by Swiss Re Ltd.

The receipt of cash consideration under the Exchange Offer by a U.S. Shareholder will generally be a taxable transaction for U.S. federal, state and local income tax purposes. Each U.S. Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Exchange Offer. U.S. Shareholders are urged to read the information set forth under “Certain Material U.S. Federal Income Tax Considerations of the Exchange Offer” in Annex 2 of this Offer Prospectus.

It may be difficult for U.S. Shareholders to enforce their rights and any claim arising under the U.S. federal securities laws, since Swiss Re Ltd and SRZ are each located in a non-U.S. jurisdiction, and many of their officers and directors are residents of non-U.S. jurisdictions. U.S. Shareholders may not be able to bring legal action against a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgment.

To the extent permissible under applicable law or regulation, and in accordance with normal market practice in Switzerland, Swiss Re Ltd and any affiliate (which may include SRZ), advisor, broker or financial institution acting as an agent or for the account or benefit of Swiss Re Ltd may, subject to applicable Swiss and U.S. securities laws, from time to time make certain purchases of, or arrangements to purchase, directly or indirectly, SRZ Shares or any securities that are immediately convertible into, exchangeable for, or exercisable for, SRZ Shares, other than pursuant to the Exchange Offer, before, during or after the period in which the Exchange Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required by law or regulation in Switzerland and other relevant jurisdictions through the electronic media, if and to the extent required under applicable laws, rules and regulations in Switzerland.

### **Forward-looking statements**

This Offer Prospectus contains certain forward-looking statements, e.g. statements that contain the words “believes”, “estimates”, “presumes”, “expects”, “potential”, or wording of similar nature. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, financial position, development, or performance or intentions of SRZ and/or Swiss Re Ltd to materially deviate from those which have been explicitly or implicitly assumed in these statements. Given these uncertainties, forward-looking statements should not be relied upon. Swiss Re Ltd assumes no obligation to update such forward-looking statements or to adapt them to future events or developments.

### **Risks**

SRZ Shareholders participating in the Exchange Offer and receiving Swiss Re Ltd Shares generally will continue to be subject to the same risks and investment considerations as they currently are as SRZ Shareholders.

Non-tendering SRZ Shareholders should consider that, following completion of the Exchange Offer, the market for their SRZ Shares may be far less liquid as such shares may no longer be listed on a stock exchange. In particular, from 23 May 2011 (subject to extension of the Initial Acceptance Period), the SRZ Shares will no longer be included in the Swiss Market Index (“**SMI**”) and may no longer be included in the Swiss Performance Index (“**SPI**”). Instead, from such date, the Swiss Re Ltd Shares will be included in the SMI and in the SPI.

Non-tendering SRZ Shareholders may also be compelled to exchange or sell their SRZ Shares in a squeeze-out procedure or in a merger with an existing company or a company established for such purposes or in any other reorganisation.

Depending on the laws of the relevant jurisdiction, the tax consequences resulting from a squeeze-out (or any other reorganisation having the same or a similar effect) may be considerably more negative to remaining holders of SRZ Shares than accepting the Exchange Offer. Also, non-tendering SRZ Shareholders may end up holding shares in a company that does not pay dividends or make other distributions or that pays significantly less dividends than historically paid by SRZ, or that makes distributions in a manner that is less tax efficient for the investor than distributions by Swiss Re Ltd could be. See section J.11 below.

# Public Exchange Offer by Swiss Re Ltd

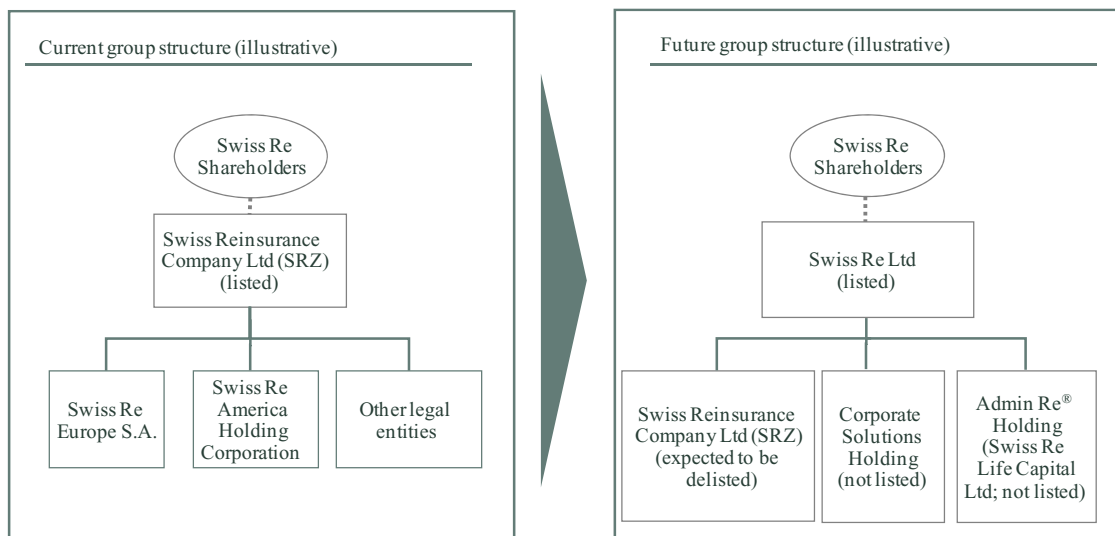
## A Background and Overview of the Public Exchange Offer by Swiss Re Ltd

Swiss Re Ltd, a wholly owned subsidiary of SRZ, submits a public exchange offer pursuant to articles 22 et seq. SESTA for all publicly held registered shares (*Namenaktien*) of SRZ. The Exchange Offer is made on a 1:1 exchange ratio, whereby SRZ Shareholders can exchange one registered share of SRZ with a nominal value of CHF 0.10 each for one newly created share of Swiss Re Ltd with a nominal value of CHF 0.10 each, subject to offer restrictions. The Swiss Re Ltd Shares grant the holders of such Swiss Re Ltd Shares the same voting and economic rights as the SRZ Shares.

The purpose of the Exchange Offer is to establish a Swiss-based publicly traded parent company for SRZ and its subsidiaries (the “**Swiss Re Group**”). With the consummation of the Exchange Offer, Swiss Re Ltd will become the listed parent company of SRZ. Swiss Re Ltd expects to delist the SRZ Shares following completion of the Exchange Offer.

In connection with the establishment of the new holding company structure, the Swiss Re Group will create a structure below the new holding company comprising legally separate business units, namely SRZ’s existing reinsurance business, along with two new entities for Corporate Solutions and Admin Re<sup>®</sup>. This intra-group separation will be implemented, depending on the jurisdiction and the entities concerned, by means of a demerger within the group or a dividend in kind, a transfer of assets (*Vermögensübertragung*) pursuant to the Federal Act on Merger, Demerger, Conversion and Transfer of Assets and Liabilities of 3 October 2003 (the “**Merger Act**”), or an asset sale (or any combination thereof). The aim is that, after completion of the Exchange Offer and any subsequent squeeze-out, the assets and operations of Corporate Solutions and Admin Re<sup>®</sup> will be held by Swiss Re Ltd and not by SRZ. The reinsurance operations will remain with SRZ.

The following chart shows the planned shift from the current group structure to the intended group structure.



SRZ believes that, compared to the existing structure, the new holding company structure and the internal realignment of the group structure will provide the following key benefits:

- **Client focus** – The Swiss Re Group’s clients will be better served by individual business units, which will develop dedicated service models. The new corporate structure will increase the flexibility and agility of these business units, allowing them to develop tailored market approaches and leading to a more entrepreneurial approach to client service.
- **Transparency** – Creating a simplified group structure will further improve transparency with respect to the performance of the Swiss Re Group’s three business units and increase clarity as to how capital and assets are allocated between them.

- **Accountability** – Greater transparency into the performance of the business units will bring more accountability in terms of the allocation of resources within those units. The management of each business unit will be fully accountable for the strategy as well as the entire business performance of each unit, including financial results, capital and asset allocation, and tax issues.
- **Flexibility** – The new structure will grant the Swiss Re Group more flexibility to manage its business segments in distinct ways, including creating the option to attract new funding sources for individual business areas, if business opportunities exceed its balance sheet capacity – for example in Admin Re®. As a further benefit, it will be possible for each business area to have a capital and funding structure appropriate to its needs, which SRZ anticipates should improve returns.

The Exchange Offer is subject to a number of conditions, which are described in detail in section B.9 below. Among others, Swiss Re Ltd is not obligated to consummate the Exchange Offer if, at the expiration of the (possibly extended) Initial Acceptance Period, Swiss Re Ltd owns less than 90% of all SRZ Shares outstanding at that time.

Application will be made to the SIX Swiss Exchange to list and trade the Swiss Re Ltd Shares effective on 23 May 2011 (subject to extension of the Initial Acceptance Period). The SIX Swiss Exchange has already approved, subject to certain conditions, the inclusion of the Swiss Re Ltd Shares in the SMI and the SPI from the first day of trading of the Swiss Re Ltd Shares.

Swiss Re Ltd expects to delist the SRZ Shares following completion of the Exchange Offer. See section J.11 below.

## B The Exchange Offer

- 1 Pre-Announcement** Pre-announcement of the Exchange Offer was made pursuant to articles 7 *et seq.* of the Ordinance of the Takeover Board on Public Takeover Offers of 21 August 2008 (Takeover Ordinance, “**TOO**”) through publication in the electronic media on 17 February 2011 in German, French and English and in the print media in German and French on 21 February 2011.
- 2 Scope of the Offer** Subject to the offer restrictions set forth in this Offer Prospectus, the Exchange Offer relates to all publicly held SRZ Shares, i.e., to all SRZ Shares not held by SRZ or Swiss Re Ltd, including any SRZ Shares that will be issued between the date of the pre-announcement and the end of the Additional Acceptance Period (as defined below).
- 3 Offered Shares / Exchange Ratio** The Exchange Offer will be made on a 1:1 exchange ratio, whereby SRZ Shareholders can exchange one SRZ Share with a nominal value of CHF 0.10 for one Swiss Re Ltd Share with a nominal value of CHF 0.10.  
  
The Swiss Re Ltd Shares will carry the same voting and economic rights as the SRZ Shares.
- 4 Share Price** The performance of the SRZ Shares on the SIX Swiss Exchange during 2008, 2009, 2010 and 2011 (up to and including 25 March) is as follows (prices in CHF refer to the highest and lowest closing price):

SRZ Share	2008	2009	2010	2011*
High	92.90	52.45	53.75	59.25
Low	37.66	12.09	42.10	48.00

\* 1 January 2011 to 25 March 2011

Source: Bloomberg.



- 5 Cooling-off Period** Subject to an extension by the Swiss Takeover Board, the cooling-off period runs for ten (10) trading days after publication of this Offer Prospectus, i.e., it is expected to run from 1 April 2011 to 14 April 2011. The Exchange Offer can be accepted only after expiration of the cooling-off period.
- 6 Initial Acceptance Period** The Exchange Offer will be open for a period of twenty-one (21) trading days, unless extended by Swiss Re Ltd (the “**Initial Acceptance Period**”). The Initial Acceptance Period will begin on 15 April 2011 and end on 17 May 2011, 16:00 CEST.
- Swiss Re Ltd reserves the right to extend the Initial Acceptance Period one or more times. An extension of the Initial Acceptance Period beyond 40 trading days would require the prior consent of the Swiss Takeover Board.
- 7 Additional Acceptance Period** If the Exchange Offer has been declared unconditional (*Zustandekommen*), an additional acceptance period of ten (10) trading days for a subsequent acceptance of the Exchange Offer pursuant to article 14 para. 5 TOO (the “**Additional Acceptance Period**”) will be provided.
- The Additional Acceptance Period, if any, is expected to run from 24 May 2011 to 7 June 2011, 16:00 CEST.
- 8 Withdrawal Rights** No withdrawal rights apply for SRZ Shares tendered during the Initial Acceptance Period (subject to applicable laws and regulations). SRZ Shares tendered during the Additional Acceptance Period may be withdrawn until the expiration of the Additional Acceptance Period.
- 9 Conditions** The Exchange Offer is subject to the following conditions:
- a) Until the expiration of the (possibly extended) Initial Acceptance Period, SRZ Shares which have been validly tendered to Swiss Re Ltd, together with any SRZ Shares tendered or contributed by SRZ or already owned by Swiss Re Ltd, represent at least 90% of all SRZ Shares outstanding at the expiration of the (possibly extended) Initial Acceptance Period.
  - b) To the extent required, the competent authorities, including but not limited to, insurance regulators, shall have granted all approvals and/or clearances required for the Exchange Offer and the future holding function of Swiss Re Ltd over the Swiss Re Group and all applicable waiting periods have expired or been terminated.
  - c) The SIX Swiss Exchange shall have granted the listing and trading of the Swiss Re Ltd Shares.
  - d) No court or governmental authority shall have issued a decision or an order preventing, prohibiting or declaring illegal the consummation of the Exchange Offer.
- Swiss Re Ltd reserves the right to waive one or more conditions in whole or in part, other than the condition set forth in clause (c) above.
- In case one or more of these conditions are not satisfied at the end of the Initial Acceptance Period (subject to any extensions) and Swiss Re Ltd has not waived such conditions, Swiss Re Ltd is entitled to declare the Exchange Offer unsuccessful, in which case SRZ Shares tendered during the Initial Acceptance Period will be promptly returned to tendering shareholders of SRZ.

## C Information on Swiss Re Ltd

- 1 Name, Domicile and Duration**

Swiss Re Ltd was founded on 7 February 2011 as a stock corporation (*Aktiengesellschaft*) under Swiss law for an indefinite period by contribution in kind of 1,000,000 SRZ Shares (*Vorratsaktien*) by SRZ, in exchange for 1,000,000 newly issued Swiss Re Ltd Shares. Swiss Re Ltd was entered into the Commercial Register of the Canton of Zurich on 7 February 2011. It has its registered domicile in Zurich.
- 2 Articles of Association**

Immediately after completion of the Exchange Offer, the articles of association of Swiss Re Ltd will, with one exception, be substantially identical to those of SRZ, and will (assuming full acceptance of the Exchange Offer and approval of the motions of the board of directors by the 2011 annual general meeting of SRZ on 15 April 2011) have identical capital provisions (see section C.4 below). Also, the Swiss Re Ltd Shares will grant the holders of such Swiss Re Ltd Shares the same voting and economic rights as the SRZ Shares.
- 3 Business Purpose**

Pursuant to its articles of association, the main business purpose of Swiss Re Ltd is the acquisition, holding, administration and sale of direct or indirect participations in all types of business in Switzerland and abroad, in particular in the areas of reinsurance, insurance and asset management. Swiss Re Ltd may engage in any operations and take any measures that seem appropriate to promote the purpose of Swiss Re Ltd. Swiss Re Ltd may acquire participations in other companies in Switzerland and abroad. Swiss Re Ltd has, as an ancillary activity, the power to acquire and sell mortgage and real estate properties, both in Switzerland and abroad.

Swiss Re Ltd was formed to function as a holding company for the Swiss Re Group. In the event of the successful consummation of the Exchange Offer, Swiss Re Ltd will hold the shares of the companies within the Swiss Re Group, either directly or indirectly.
- 4 Current and Future Share Capital**

Swiss Re Ltd currently has a share capital of CHF 100,000, divided into 1,000,000 fully paid-in registered shares with a nominal value of CHF 0.10 each.

After the consummation of the capital increases that will occur in connection with the Exchange Offer, the share capital of Swiss Re Ltd will, assuming that 100% of the SRZ Shares are tendered and that the share capital of SRZ will be the same as of 22 March 2011, amount to CHF 37,070,463.30, divided into 370,704,633 fully paid-in registered shares with a nominal value of CHF 0.10 each.

The capital provisions of Swiss Re Ltd will be substantially identical to those of SRZ, subject to one exception relating to the squeeze-out of minority shareholders (see below). The articles of association of Swiss Re Ltd will be aligned with the articles of association of SRZ following adoption at the 2011 SRZ annual general meeting. It is expected that the future articles of association of Swiss Re Ltd, in line with the SRZ articles of association proposed to be adopted at the 2011 SRZ annual general meeting on 15 April 2011, will also contain authorized capital as well as conditional capital, with the following characteristics:

  - up to 35 million shares may be issued out of authorized capital; subscription rights may be restricted or excluded under certain limited circumstances;
  - up to 50 million shares may be issued out of authorized capital with subscription rights of shareholders; and



- up to 50 million shares may be issued out of conditional capital for convertible instruments; subscription rights of shareholders may be restricted or excluded under certain limited circumstances;

provided, however, that the aggregate number of shares to be issued out of authorized and conditional capital under exclusion of subscription rights or advance subscription rights, respectively, may not exceed 74,140,927 until the 2013 annual general meeting.

The articles of association of Swiss Re Ltd will also provide for authorized capital to issue new Swiss Re Ltd Shares in connection with a possible squeeze-out of the remaining SRZ Shareholders pursuant to the SESTA or otherwise.

## **5 Board of Directors**

At the time of the consummation of the Exchange Offer, the board of directors of Swiss Re Ltd is expected to be identical to the current board of directors of SRZ, and consist of the following members:

Walter B. Kielholz (Chairman), Mathis Cabiallavetta (Vice Chairman), Jakob Baer, Raymund Breu, Raymond K. F. Ch'ien, John R. Coomber, Rajna Gibson Brandon, Malcolm D. Knight, Hans Ulrich Maerki, Carlos E. Represas, Jean-Pierre Roth, and Robert A. Scott. Provided that Renato Fassbind will be elected as a new member of the SRZ board of directors at the 2011 annual general meeting of SRZ on 15 April 2011, Renato Fassbind will also serve on the board of directors of Swiss Re Ltd.

## **6 Significant Shareholders**

SRZ is currently the owner of all 1,000,000 outstanding shares of Swiss Re Ltd with a nominal value of CHF 0.10 each. Concurrently with the completion of the capital increase for the settlement of the SRZ Shares tendered during the Initial Acceptance Period, SRZ is expected to contribute all of the SRZ Shares it still owns at that time (currently expected to be 26,776,536 SRZ Shares, which represent 7.2% of SRZ's share capital as of 22 March 2011) to Swiss Re Ltd in exchange for Swiss Re Ltd Shares at an exchange ratio of 1:1.

The following persons or groups of persons have reported holding more than 3% of the SRZ Shares, and if they participate in the Exchange Offer and assuming 100% participation in the Exchange Offer, they would hold the same proportion of Swiss Re Ltd Shares as they do of SRZ Shares as of such date:

- On 15 December 2009, BlackRock, Inc. notified SRZ that it holds 3.97% of the share capital (representing 3.97% of the voting rights in SRZ)
- On 15 February 2011, Franklin Resources, Inc. notified SRZ that it holds 4.34% of the share capital (representing 4.34% of the voting rights in SRZ)
- On 31 October 2008, Dodge & Cox notified SRZ that it holds 3.05% of the share capital (representing 3.05% of the voting rights in SRZ)
- On 9 November 2010, Berkshire Hathaway, Inc. notified SRZ that it holds 3.04% of the share capital (representing 3.04% of the voting rights in SRZ)

As of 22 March 2011, SRZ directly owned 26,776,536 of its own shares, representing 7.2% of its share capital as of 22 March 2011.

- |   |   |   |
|---|---|---|
| 7 | <b>Persons acting in concert with the Offeror</b> | In the context of this Exchange Offer, SRZ (including any of its controlled affiliates) acts in concert with Swiss Re Ltd.  |
| 8 | <b>Annual Report</b>                              | <p>Given that Swiss Re Ltd was founded on 7 February 2011, as of the date hereof no annual financial statements exist and no dividend payments have been made to date.</p> <p>PricewaterhouseCoopers AG, Zurich, acts as the statutory auditor for Swiss Re Ltd.</p>  |
| 9 | <b>Investments of Swiss Re Ltd in SRZ</b>         | <p>Except for 1,000,000 SRZ Shares that SRZ contributed to Swiss Re Ltd in connection with the incorporation of Swiss Re Ltd, Swiss Re Ltd does not currently own any SRZ Shares, and it has not sold any SRZ Shares, nor purchased, sold or exercised any option rights or conversion rights or other financial instruments on SRZ Shares. It is expected, however, that concurrently with the capital increase for the settlement of the SRZ Shares tendered during the Initial Acceptance Period, SRZ will contribute all of the SRZ Shares it still owns at that time (currently expected to be 26,776,536 SRZ Shares, representing 7.2% of SRZ's share capital as of 22 March 2011) to Swiss Re Ltd in exchange for Swiss Re Ltd Shares (at an exchange ratio of 1:1).</p> |

## **D Additional Information on Swiss Re Ltd pursuant to Art. 24 TOO**

- |   |   |   |
|---|---|---|
| 1 | <b>Information on Swiss Re Ltd Shares</b> | <p>Swiss Re Ltd Shares are registered shares with a nominal value of CHF 0.10 each.</p> <p>Swiss Re Ltd Shares are dematerialized securities (<i>Wertrechte</i>, within the meaning of the Swiss Code of Obligations) and intermediated securities (<i>Bucheffekten</i>, within the meaning of the Intermediary-Held Securities Act).</p> <p>Swiss Re Ltd Shareholders have no right to printing and delivery of Swiss Re Ltd Shares. Each Swiss Re Ltd Shareholder may, however, at any time request a written confirmation from Swiss Re Ltd of the registered shares held by such Swiss Re Ltd Shareholder, as reflected in the share register of Swiss Re Ltd.</p> <p>The Swiss Re Ltd Shares may be transferred by way of book-entry credit to other securities accounts or by way of assignment in accordance with the provisions of the Intermediary-Held Securities Act. Furnishing of collateral in the Swiss Re Ltd Shares must also conform with the regulations of the Intermediary-Held Securities Act; the transfer and furnishing of collateral by assignment is excluded.</p> <p>SRZ Shareholders who tender their SRZ Shares to Swiss Re Ltd will be entered as shareholders with voting rights into the share register of Swiss Re Ltd pursuant to article 4 para. 2 of the articles of association of Swiss Re Ltd upon filing of a complete application form, in which they expressly declare that they hold their SRZ Shares in their own name and for their own account, and that they will comply with the reporting requirements pursuant to SESTA. Article 4 para. 3 of the articles of association provides that persons who do not expressly declare in the application for registration that they hold the Swiss Re Ltd Shares for their own account (a “<b>Nominee</b>” or the “<b>Nominees</b>”) will be entered into the share register for up to 2% of the outstanding share capital with voting rights. In excess of this limit, registered shares of Nominees are only registered with voting rights if the corresponding Nominee provides the names, addresses and stock amount of these persons, on account of which he holds 0.5% or more of the outstanding share capital at a time, and if the reporting requirements pursuant to the SESTA are fulfilled.</p> |
|---|---|---|

Each Swiss Re Ltd Share entitles its registered holder to one vote in Swiss Re Ltd's general meeting. The holders of Swiss Re Ltd Shares are entitled to the dividends or other distributions approved by Swiss Re Ltd's general meeting in proportion to their shareholdings, and in the event of liquidation of Swiss Re Ltd's assets, they are entitled to a proportional share after all debts have been paid. Swiss Re Ltd Shareholders who are registered in the share register without voting rights cannot participate or vote in a general meeting, but are nevertheless entitled to receive dividends and/or exercise other property rights.

The thresholds for the disclosure of shareholdings in Swiss Re Ltd are based on art. 20 Sesta and art. 663c of the Swiss Code of Obligations. The threshold that triggers an obligation to make an offer is based on art. 32 Sesta.

**2 Listing**

Application will be made to the SIX Swiss Exchange to list and trade the Swiss Re Ltd Shares effective on 23 May 2011 (subject to extension of the Initial Acceptance Period). The SIX Swiss Exchange has already approved, subject to certain conditions, the inclusion of the Swiss Re Ltd Shares in the SMI and the SPI starting on the first day of trading of the Swiss Re Ltd Shares.

**3 Material Changes**

Since its incorporation on 7 February 2011, except as contemplated in connection with the Exchange Offer, no material changes in Swiss Re Ltd's capital situation, financial situation or revenue situation and business prospects have occurred.

**4 Effects of the Exchange Offer**

Swiss Re Ltd is a newly created Swiss corporation, the purpose of which is to assume the functions of a holding company for the business of the Swiss Re Group after completion of the Exchange Offer.

The objective of the Exchange Offer is for Swiss Re Ltd to hold all of the SRZ Shares, as well as any businesses that may be carved out from SRZ in connection with the planned realignment of the Swiss Re Group (see section A, "Background and Overview of the Public Exchange Offer by Swiss Re Ltd"). Therefore, completion of the Exchange Offer will, on a consolidated basis, have no material effect on the financial condition of the Swiss Re Group.

**5 Share Performance**

As the Swiss Re Ltd Shares will only be listed on the SIX Swiss Exchange on 23 May 2011 (subject to extension of the Initial Acceptance Period), no information about the performance of the Swiss Re Ltd Shares over the past three (3) years is available.

## **E Financing of the Exchange Offer**

The Swiss Re Ltd Shares required for the Exchange Offer will be created by means of capital increases, executed through the contribution in kind of SRZ Shares by Credit Suisse AG, acting as a fiduciary. The board of directors of SRZ (in its capacity as the governing body of the sole shareholder of Swiss Re Ltd) has committed itself to ensure that the resolutions necessary for the consummation of the Exchange Offer and for the capital increases in connection therewith are made, provided that the Exchange Offer is successful.

## **F Information on SRZ (Target Company)**

### **1 Name, Domicile, Share Capital, Business Purpose, Business Activity**

SRZ is a stock corporation (*Aktiengesellschaft*) founded in accordance with Swiss law in 1863 for an indefinite period, and is entered in the Commercial Register of the Canton of Zurich under the name Swiss Reinsurance Company Ltd. SRZ has its registered domicile in Zurich.

The share capital of SRZ as per 22 March 2011 is CHF 37,070,463.30, divided into 370,704,633 fully paid-in registered shares with a nominal value of CHF 0.10 each (according to an excerpt from the Commercial Register of the Canton of Zurich of 22 March 2011, the share capital of SRZ is CHF 37,070,415.30, divided into 370,704,153 fully paid-in registered shares with a nominal value of CHF 0.10 each; SRZ has issued an additional 480 registered shares out of conditional capital until 22 March 2011, which have not yet been registered with the Commercial Register). The SRZ Shares are listed on the SIX Swiss Exchange and are included in the SMI and the SPI (for information on the performance of the price of the SRZ Shares on the SIX Swiss Exchange see section B.4).

The purpose of SRZ is to transact any kind of reinsurance business and to provide related services. SRZ may also participate in other enterprises, in particular in insurance companies.

The annual reports of SRZ of the past 4 years are available on the website of SRZ ([http://www.swissre.com/investors/financial\\_information](http://www.swissre.com/investors/financial_information)).

### **2 Swiss Re Ltd's intentions with regard to SRZ, its Board of Directors and its Management**

The formation of Swiss Re Ltd will enable the transfer of assets and operations within what currently is the Swiss Re Group in such a way that the shareholders continue to benefit from these assets and operations. To achieve this, a realignment, to be carried out in two phases, is intended.

In the *first phase*, Swiss Re Ltd was created, which launches the Exchange Offer and which – after completion of the Exchange Offer – will be the publicly listed entity that will be the direct parent company of SRZ and thus directly or indirectly the ultimate parent company of all current businesses of SRZ.

If Swiss Re Ltd holds more than 98% of the SRZ Shares after completion of the Exchange Offer, Swiss Re Ltd will file a request with the competent court to invalidate the SRZ Shares of the remaining minority shareholders based on article 33 of the SESTA.

If, as a result of the Exchange Offer, Swiss Re Ltd holds more than 90% but not more than 98% of the SRZ Shares, SRZ will initiate appropriate measures to implement the new holding structure. Depending on the type of transaction, non-tendering SRZ Shareholders would receive either Swiss Re Ltd Shares or shares in a special merger vehicle. To comply with U.S. securities law, U.S. Shareholders who were not entitled to receive Swiss Re Ltd Shares in the Exchange Offer will always receive cash. For more information on restrictions that may apply to certain non-Swiss SRZ Shareholders in connection with the Exchange Offer, see “Offer Restrictions” above and Annex 1.

Depending on the laws of the relevant jurisdiction, the tax consequences resulting from a squeeze-out (or any other reorganisation having the same or a similar effect) may be considerably more negative to remaining holders of SRZ Shares than accepting the Exchange Offer. Also, non-tendering shareholders may end up holding shares in a company that does not pay dividends or make other distributions or that pays significantly less dividends than historically paid by SRZ, or that makes distributions in a manner that is less tax efficient for the investor than distributions by Swiss Re Ltd could be.

Swiss Re Ltd expects to initiate the delisting of the SRZ Shares from the SIX Swiss Exchange as soon as practicable after consummation of the Exchange Offer.

The *second phase* focuses on creating a structure below Swiss Re Ltd comprising legally separate business units, namely SRZ's existing reinsurance business, along with two new entities for Corporate Solutions and Admin Re®. SRZ is in the process of effecting various internal structure changes to facilitate the shift to managing these distinct businesses on a standalone basis. This intra-group separation will be implemented, depending on the jurisdiction and the entities concerned, by means of a demerger within the group or a dividend in kind, a transfer of assets (*Vermögensübertragung*) pursuant to the Merger Act, or an asset sale (or any combination thereof). The aim is that, after completion of the Exchange Offer, the assets and operations of Corporate Solutions and Admin Re® are held by Swiss Re Ltd and not by SRZ. The reinsurance operations will remain with SRZ.

It is expected that the members of the board of directors and the executive management of Swiss Re Ltd immediately following completion of the Exchange Offer will be the same as the current members of the board of directors and executive management of SRZ. It is further expected that the board members and the members of executive management will receive the same remuneration for their services even though they will serve both SRZ and Swiss Re Ltd.

### **3 Agreements related to the Exchange Offer between SRZ and Swiss Re Ltd and their Governing Bodies and Shareholders**

Swiss Re Ltd has not received, either from SRZ or from other persons acting in concert with it, directly or indirectly, non-public information or has entered into agreements with third parties, especially with SRZ, its governing bodies or shareholders, which could significantly influence the SRZ Shareholders in their decision to participate in the Exchange Offer. As part of, or following consummation of, the Exchange Offer, Swiss Re Ltd may enter into arrangements with SRZ or its subsidiaries, or with third parties in respect of SRZ or its other subsidiaries, consistent with its function as a holding company:

- To reflect the new holding structure, SRZ will transfer certain rights related to the “Swiss Re” brand and certain other intellectual property rights to Swiss Re Ltd. Certain other affiliated group companies may also transfer intellectual property rights to Swiss Re Ltd. Swiss Re Ltd will retransfer these rights to SRZ and, if applicable, to other group companies, if, by 31 December 2012, it does not own all of the SRZ Shares then outstanding.
- It is expected that SRZ and Swiss Re Ltd will enter into service agreements or other similar agreements to reflect certain operating, reporting, financial, advisory and other services to be provided by SRZ to Swiss Re Ltd.
- In light of the Exchange Offer, Swiss Re Ltd and SRZ will enter into a share support agreement pursuant to which possible future deferred interest payments under any of SRZ's perpetual subordinated securities will be satisfied through the use of an alternative coupon settlement mechanism. Swiss Re Ltd will undertake to sell (existing or newly issued) Swiss Re Ltd Shares and apply the proceeds to purchase (existing or newly issued) SRZ Shares; SRZ will then use these proceeds to satisfy deferred interest payments.

### **4 Confidential Information**

Swiss Re Ltd and SRZ affirm that they do not have any non-public information regarding SRZ that could significantly influence the decision of SRZ Shareholders to tender their SRZ Shares in the Exchange Offer.

## **G Report of the review body pursuant to article 25 of the federal act on stock exchanges and securities trading (SESTA)**

As a review body recognised under the federal act on stock exchanges and securities trading (“SESTA”) to review public tender offers, we have reviewed the offer prospectus of Swiss Re Ltd (“offeror”). The report of the board of directors of Swiss Reinsurance Company Ltd was not the subject of our review.

The offeror is responsible for preparing the offer prospectus. Our responsibility is to review the document and to express an opinion thereon. We confirm that we meet the independence requirements in accordance with Swiss takeover law and that there are no instances that would impair our independence.

Our review was performed in accordance with the Swiss Auditing Standard 880, which requires that a review in accordance with article 25 SESTA be planned and carried out so as to determine whether the offer prospectus is complete in terms of the formal requirements of the SESTA, the implementing ordinances and decision 469/01 of

the Swiss Takeover Board (“**TOB**”) dated 15 February 2011 and to obtain reasonable assurance that the offer prospectus is free from material misstatements, whether due to fraud or error (although not with the same assurance for items 4 to 7 as for items 1 to 3 below). We reviewed the disclosures in the offer prospectus by way of analysis and examination on a test basis. Furthermore, we assessed whether the SESTA, the implementing ordinances and decision 469/01 of the TOB have been complied with. We believe that our review forms a reasonable basis for our opinion.

In our opinion

1. the offeror has taken all the necessary measures to ensure that the securities for the exchange are available on the settlement dates;
2. the requirements regarding mandatory offers have been complied with;
3. the Best Price Rule has been complied with until 22 March 2011.

Furthermore, nothing has come to our attention that causes us to believe that

4. under applicable rules, the recipients of the offer are not treated equally;
5. the offer prospectus is not complete and accurate according to the requirements of the SESTA and its ordinances;
6. the offer prospectus does not comply with the SESTA, its implementing ordinances and decision 469/01 of the TOB dated 15 February 2011;
7. the requirements regarding the consequences of the pre-announcement of this offer are not complied with.

This report represents neither a recommendation for acceptance or rejection of the offer nor a confirmation (fairness opinion) in respect of the financial adequacy of the offer.

Zurich, 24 March 2011

Deloitte AG

Hans-Peter Wyss

Marc Raggenbass

## **H Board Report of SRZ**

The board of directors of SRZ (the “**Board**”) has reviewed the terms of the Exchange Offer by Swiss Re Ltd, as well as its conditions and modalities of execution.

### **1 Recommendation and Reasons**

Pursuant to art. 29 para. 1 SESTA and articles 30 to 32 TOO, the Board comments unanimously on the Exchange Offer by Swiss Re Ltd for all registered shares in SRZ as follows:

#### **1.1 Exchange ratio of 1:1**

In connection with the Exchange Offer, SRZ Shares will be exchanged for the Swiss Re Ltd Shares on the basis of an exchange ratio of 1:1 and as a result the Swiss Re Group will be transferred from a parent company structure to a holding structure. Therefore, there will be no change in the economic position of the SRZ Shareholders tendering their SRZ Shares, and the SRZ Shares and Swiss Re Ltd Shares should be valued identically.



## 1.2 Potential resulting from the holding structure

The planned realignment of the legal entities – establishing a holding company and separating the distinct business units – will allow SRZ to pursue its strategy and aims at further unlocking the full potential of SRZ and helping fulfil SRZ's mission to be the leading player in the wholesale (re)insurance industry. The Board believes that, compared to the existing structure, the new holding company structure and the internal realignment of the group structure will provide the following key benefits:

- **Client focus** – The Swiss Re Group's clients will be better served by individual business units, which will develop dedicated service models. The new corporate structure will increase the flexibility and agility of these business units, allowing them to develop tailored market approaches and leading to a more entrepreneurial approach to client service.
- **Transparency** – Creating a simplified group structure will further improve transparency with respect to the performance of the Swiss Re Group's three business units and increase clarity as to how capital and assets are allocated between them.
- **Accountability** – Greater transparency into the performance of the business units will bring more accountability in terms of the allocation of resources within those units. The management of each business unit will be fully accountable for the strategy as well as the entire business performance of each unit, including financial results, capital and asset allocation, and tax issues.
- **Flexibility** – The new structure will grant the Swiss Re Group more flexibility to manage its business segments in distinct ways, including creating the option to attract new funding sources for individual business areas, if business opportunities exceed its balance sheet capacity – for example in Admin Re®. As a further benefit, it will be possible for each business area to have a capital and funding structure appropriate to its needs, which SRZ anticipates should improve returns.

## 1.3 Effects on SRZ's financial condition

The objective of the Exchange Offer is for Swiss Re Ltd to assume the functions of a holding company for the business of the Swiss Re Group and to hold all of the SRZ Shares, as well as any businesses that may be carved out from SRZ in connection with the planned realignment of the Swiss Re Group. Therefore, the completion of the Exchange Offer will, on a consolidated basis, have no material effect on the financial condition of the Swiss Re Group.

## 1.4 Recommendation

As a result of its assessment, the Board is of the view that the Exchange Offer is in the best interest of SRZ and its shareholders. On the basis that (a) the economic position of SRZ Shareholders will not change and the exchange ratio is 1:1, and (b) the holding structure resulting from the exchange is strategically meaningful and is future-oriented, the Board unanimously recommends to the SRZ Shareholders to accept Swiss Re Ltd's Exchange Offer.

## 2 Additional Information required by Swiss Takeover Law

### 2.1 Board of directors and executive management of SRZ

The Board consists of: Walter B. Kielholz (Chairman), Mathis Cabiallavetta (Vice Chairman), Jakob Baer, Raymund Breu, Raymond K. F. Ch'ien, John R. Coomber, Rajna Gibson Brandon, Malcolm D. Knight, Hans Ulrich Maerki, Carlos E. Represas, Jean-Pierre Roth, and Robert A. Scott. The Board of SRZ is identical to the board of directors of Swiss Re Ltd. The Board has proposed to the SRZ Shareholders to elect Renato Fassbind as a new independent member of the SRZ Board at the 2011 annual general meeting of SRZ on 15 April 2011.

The executive management of SRZ consists of: Stefan Lippe (Chief Executive Officer), David J. Blumer (Chief Investment Officer and Chairman of Admin Re®), Brian Gray (Chief Underwriting Officer), George Quinn (Chief Financial Officer), David Cole (Chief Risk Officer), Agostino Galvagni (CEO Corporate Solutions), Christian Mumenthaler (Chief Marketing Officer Reinsurance), and Thomas Wellauer (Chief Operating Officer). The executive management of SRZ is identical with the executive management of Swiss Re Ltd.

## 2.2 Possible conflicts of interest

The Board has no knowledge of existing or potential conflicts of interest of its members or of members of the executive management of SRZ with Swiss Re Ltd. Furthermore, the Board has no knowledge of particular intentions of the principal shareholders of SRZ in connection with the Exchange Offer. The current members of the Board are, and are expected to be at the time of the consummation of the Exchange Offer, members of the board of directors of Swiss Re Ltd.

## 2.3 Possible financial consequences of the Exchange Offer

### a) Remuneration of the Board and the executive management

With the introduction of the holding company structure resulting from the Exchange Offer, no changes of the compensation for the activities of the Board members are intended, i.e., the Board members, immediately following completion of the Exchange Offer, shall receive the same current remuneration for their services even though they will serve on two boards.

No changes to the remuneration package for the executive management are intended to be made in connection with the Exchange Offer.

### b) SRZ Shares held by members of the Board and the executive management

As of 31 December 2010, the members of the Board and the members of the executive management held the following number of SRZ Shares and options on SRZ Shares (each option grants the right to obtain one SRZ Share).

Members of the Board	SRZ Shares	Options
Walter B. Kielholz, Chairman	149,619	170,000
Mathis Cabiallavetta, Vice Chairman	1,961	–
Jakob Baer, Member	29,001	–
Raymund Breu, Member	29,013	–
Raymond K.F. Ch'ien, Member	7,943	–
John R. Coomber, Member	129,526	290,000
Rajna Gibson Brandon, Member	19,433	–
Malcolm D. Knight, Member	1,502	–
Hans Ulrich Maerki, Member	19,215	–
Carlos E. Represas, Member	3,502	–
Jean-Pierre Roth, Member	1,129	–
Robert A. Scott, Member	20,395	–
<b>Total</b>	<b>412,239</b>	<b>460,000</b>

Members of the executive management	SRZ Shares	Options
Stefan Lippe, Chief Executive Officer	66,121	99,000
David J. Blumer, Chief Investment Officer and Chairman of Admin Re®	54,000	–
Agostino Galvagni, CEO Corporate Solutions	11,747	–
Brian Gray, Chief Underwriting Officer	15,912	17,000
Michel M. Liès, Chief Marketing Officer	60,358	114,000
George Quinn, Chief Financial Officer	20,103	42,000
<b>Total</b>	<b>228,241</b>	<b>272,000</b>

In addition, as of 31 December 2010, the members of the Board and the members of executive management held the following number of SRZ Shares as performance shares and restricted shares, respectively (see page 211 of the 2010 financial report of SRZ for a more detailed description):

<b>Members of the Board</b>	<b>Performance shares</b>
Walter B. Kielholz, Chairman	125,415
Mathis Cabiallavetta, Vice Chairman	69,653
<b>Total</b>	<b>195,068</b>

<b>Members of the executive management</b>	<b>Restricted shares</b>
David J. Blumer, Chief Investment Officer and Chairman of Admin Re®	176,342
Raj Singh, Chief Risk Officer	4,000
<b>Total</b>	<b>180,342</b>

In connection with the Exchange Offer, SRZ will amend its employee option plans to provide for delivery of Swiss Re Ltd Shares instead of SRZ Shares from the first trading day of the Swiss Re Ltd Shares. All the Board members and members of executive management intend to tender their SRZ Shares to Swiss Re Ltd.

c) Payments caused by the Exchange Offer

The Board members will be granted no benefits whatsoever in connection with the Exchange Offer. None of the Board members will receive a compensation due to the Exchange Offer. The employment agreements of the members of the executive management do not stipulate any termination pay that would be prompted by the completion of the Exchange Offer.

## 2.4 Contractual agreements or other connections with Swiss Re Ltd

Based on the Board's knowledge no other agreements exist between Swiss Re Ltd and SRZ with the exception of the agreements mentioned in section F.3 of the Offer Prospectus.

## 3 Intentions of the Shareholders who own more than 3% of the Voting Rights

Based on the Board's knowledge, the following shareholders hold more than 3% of the voting rights of SRZ at the time of this report:

- On 15 December 2009, BlackRock, Inc. notified SRZ that it holds 3.97% of the share capital (representing 3.97% of the voting rights in SRZ)
- On 15 February 2011, Franklin Resources, Inc. notified SRZ that it holds 4.34% of the share capital (representing 4.34% of the voting rights in SRZ)
- On 31 October 2008, Dodge & Cox notified SRZ that it holds 3.05% of the share capital (representing 3.05% of the voting rights in SRZ)
- On 9 November 2010, Berkshire Hathaway, Inc. notified SRZ that it holds 3.04% of the share capital (representing 3.04% of the voting rights in SRZ)

The Board has no knowledge of the intentions of these shareholders.

As of 22 March 2011, SRZ directly owned 26,776,536 of its own shares, representing 7.2% of its share capital as of 22 March 2011.

The Board does not know of any other shareholders who hold more than 3% of the voting rights of SRZ.

It is expected that SRZ will, concurrently with the completion of the capital increase for the settlement of the SRZ Shares tendered during the Initial Acceptance Period, contribute all of the SRZ Shares it still owns directly at that time (expected to be 26,776,536 SRZ Shares) to Swiss Re Ltd in exchange for Swiss Re Ltd Shares (at the exchange ratio of 1:1). Together with the 1,000,000 Swiss Re Ltd Shares issued to SRZ upon incorporation of Swiss Re Ltd, immediately after completion of the Exchange Offer and assuming 100% participation in the Exchange Offer, SRZ will therefore own approximately 7.5% of Swiss Re Ltd's share capital.

#### **4 Defensive Measures**

The Board has not taken any defensive measures against Swiss Re Ltd's Exchange Offer and does not intend to do so.

#### **5 Information on Material Changes to the Financial Situation and the Business Prospects**

To the knowledge of the Board, except as has been publicly communicated by SRZ by means of press releases or otherwise, there have been no material changes to the financial situation and the business prospects of SRZ since the audited full-year results of SRZ of 31 December 2010, which are available on the SRZ website at [www.swissre.com](http://www.swissre.com) and can be obtained free of charge from Swiss Re Investors Relations (phone: +41 (0)43 285 4444, fax: +41 (0)43 282 4444, e-mail: [investor\\_relations@swissre.com](mailto:investor_relations@swissre.com)).

Zurich, 31 March 2011

Swiss Reinsurance Company Ltd

Board of directors

Walter B. Kielholz, Chairman      Jakob Baer, Member

### **I Orders of the Swiss Takeover Board**

On 15 February 2011, the Swiss Takeover Board has issued the following order:

1. The conditions included in the Exchange Offer are admissible.
2. The delivery of the sale proceeds of Swiss Re Ltd Shares to SRZ Shareholders whose receipt of Swiss Re Ltd Shares is restricted by applicable law is admissible.
3. The granting of withdrawal rights during the Additional Acceptance Period is admissible.
4. The Offer Prospectus must not contain a valuation of the Swiss Re Ltd Shares.
5. SRZ and Swiss Re Ltd may purchase own shares (i.e., SRZ Shares and/or Swiss Re Ltd Shares) and financial instruments relating to SRZ Shares or Swiss Re Ltd Shares against cash during the offer period without infringing upon the principle of equal treatment (and the Best Price Rule in particular).

In addition, on 25 March 2011, the Takeover Board ordered that the Exchange Offer complies with the statutory provisions relating to public tender offers.

## **J Implementation of the Exchange Offer**

### **1 Information / Registration    Persons whose SRZ Shares are held in a custody account**

SRZ Shareholders who hold their SRZ Shares in an open safe custody account (whether they are registered as shareholders in SRZ's share register or not) will be informed of the Exchange Offer by their depository bank, and are requested to act in accordance with that bank's instructions.

#### **Persons with a shareholder's safekeeping account**

Shareholders who hold their SRZ Shares in a shareholder's safekeeping account will be informed of the Exchange Offer by the share register of SRZ through Prudentia AG, which has been mandated with the custody account management. They are requested to act in accordance with the share register's (respectively Prudentia AG's) instructions.

#### **Persons who hold their SRZ Shares in their own possession**

SRZ Shareholders who hold their SRZ Shares themselves, other than as set forth above, will be informed of the Exchange Offer by the share register of SRZ. They are requested to act in accordance with the instructions of the share register.

### **2 Offer Manager**

Swiss Re Ltd has mandated Credit Suisse AG with the technical implementation of the Exchange Offer. Credit Suisse AG also acts as the acceptance and exchange agent.

### **3 SRZ Shares tendered within the Context of this Exchange Offer**

The SRZ Shares that have been tendered in the Exchange Offer will be assigned the following Swiss Security Numbers by the depository banks:

2<sup>nd</sup> Trading line, SRZ Shares to be exchanged for Swiss Re Ltd Shares:  
12 688 128

Not traded, for receipt of cash proceeds from the sale of Swiss Re Ltd Shares:  
12 688 133

### **4 Withdrawal Rights**

No withdrawal rights apply for SRZ Shares tendered during the Initial Acceptance Period (subject to applicable laws and regulations). SRZ Shares tendered during the Additional Acceptance Period may be withdrawn until the expiration of the Additional Acceptance Period.

### **5 Trading of SRZ Shares**

The SRZ Shares will be traded as follows on the SIX Swiss Exchange starting with the Initial Acceptance Period, which starts on 15 April 2011, until the first settlement of the Exchange Offer (scheduled for 20 May 2011) for SRZ Shares validly tendered during the Initial Acceptance Period and until the end of the Additional Acceptance Period for SRZ Shares validly tendered during the Additional Acceptance Period:

1<sup>st</sup> Trading line (non-tendered shares):  
Swiss Security Number: 1 233 237

2<sup>nd</sup> Trading line, SRZ Shares tendered, to be exchanged for Swiss Re Ltd Shares:  
Swiss Security Number: 12 688 128

The SIX Swiss Exchange has granted the opening of a second trading line for trading of the tendered SRZ Shares beginning on 15 April 2011 (start of the Initial Acceptance Period). It is expected that trading on the second trading line will be ended after the expiration of the Additional Acceptance Period (if any). When selling or purchasing shares on the second trading line, customary stock exchange charges and brokerage fees will be charged. These costs must be paid by the purchasing and selling shareholders.

The SRZ Shares that are tendered in the Exchange Offer by shareholders who are to receive the cash proceeds from the sale of Swiss Re Ltd Shares are not traded.

- |    |   |   |
|----|---|---|
| 6  | <b>Contributions in Kind</b>            | Through acceptance of the Exchange Offer, the SRZ Shareholders accept that, within the context of the capital increases through contribution in kind of SRZ Shares, Credit Suisse AG will undertake the contributions in kind of SRZ Shares in its own name, but for the account of SRZ Shareholders who have accepted the Exchange Offer.  |
| 7  | <b>Settlement of the Exchange Offer</b> | SRZ Shares tendered during the Initial Acceptance Period will be settled within three (3) trading days after expiry of the Initial Acceptance Period, and any SRZ Shares tendered after expiry of the Initial Acceptance Period but before the end of the Additional Acceptance Period will be settled within three (3) trading days following the end of the Additional Acceptance Period. SRZ Shares tendered will be exchanged for Swiss Re Ltd Shares.  |
|    |   | U.S. Shareholders and ADS Holders are urged to read the information set forth in Annex 1, which includes information about the settlement of the Exchange Offer.  |
| 8  | <b>Entitlement to Dividends</b>         | The registered shares to be issued by Swiss Re Ltd in connection with the Exchange Offer will be entitled to dividend payments from the time of their issuance and will carry the same dividend rights as the existing registered shares of Swiss Re Ltd.   |
| 9  | <b>Cost Arrangement and Fees</b>        | SRZ Shares deposited with banks in Switzerland will be exchanged within the scope of the Exchange Offer without charges and fees.   |
| 10 | <b>Tax Consequences</b>                 | <b>The following summary presentation of tax consequences does not replace individual consultation with a tax adviser. All shareholders and/or economic beneficiaries are explicitly advised to consult with their own tax advisers in regard to Swiss and possible foreign tax consequences that apply to them as a result of the tender of their SRZ Shares under this Exchange Offer and in the context of the possible subsequent cancellation of shares pursuant to art. 33 SESTA or any other squeeze-out measure taken by Swiss Re Ltd or SRZ.</b> |

**Tax Consequences  
for Swiss Shareholders**

***Within the Context  
of the Exchange  
Offer***

**Individual and corporate income tax**

Generally, the exchange of SRZ Shares for Swiss Re Ltd Shares within the context of the Exchange Offer is not subject to federal, cantonal and communal income taxes for Swiss resident shareholders holding their SRZ Shares as private assets (*Privatvermögen*). Generally, such exchange is not subject to Swiss federal, cantonal and communal income taxes for Swiss domiciled individual shareholders holding the SRZ Shares as business assets (*Geschäftsvermögen*) and not subject to corporate income taxes for corporations, provided the Swiss Re Ltd Shares will carry over the (tax) book value of the SRZ Shares.



***Within the Context  
of a Cancellation  
of the SRZ Shares  
pursuant to art. 33  
SESTA***

***Within the context  
of a merger in case  
the acceptance  
rate of the Exchange  
Offer is lower than  
98% but at least 90%***

**Tax Consequences  
for U.S. Shareholders**

**Swiss withholding tax**

Pursuant to a ruling by the Swiss Federal Tax Administration, the exchange of SRZ Shares for Swiss Re Ltd Shares within the context of the Exchange Offer is not subject to Swiss withholding taxes.

**Stamp duties**

Pursuant to a ruling by the Swiss Federal Tax Administration, the exchange of SRZ Shares for Swiss Re Ltd Shares within the context of the Exchange Offer is not subject to the Swiss securities transfer tax.

**Individual and corporate income tax**

Non-tendering SRZ Shareholders who are Swiss resident taxpayers are expected to be subject in principle to the following tax consequences:

In principle, the compensation for the cancellation of shares pursuant to art. 33 SESTA is tax-neutral for shareholders who hold their SRZ Shares as part of their private assets (*Privatvermögen*). For shareholders holding the SRZ Shares as business assets (*Geschäftsvermögen*) and for corporate shareholders, a compensation in cash would generally represent taxable income whereas a compensation in Swiss Re Ltd Shares would, in principle, be tax neutral, provided the Swiss Re Ltd Shares will carry over the (tax) book value of the SRZ Shares.

**Swiss withholding tax**

Pursuant to a ruling by the Swiss Federal Tax Administration, the cancellation of shares pursuant to art. 33 SESTA does not result in any withholding tax consequences.

**Stamp duties**

The capital increase in the context of the cancellation of shares pursuant to art. 33 SESTA is, in principle, exempt from the capital issuance tax. The transfer of SRZ Shares and Swiss Re Ltd Shares in the context of a cancellation of SRZ Shares is, in principle, exempt from the securities transfer tax.

**Individual and corporate income tax**

For non-tendering SRZ Shareholders who are Swiss resident taxpayers, the compensation for the shares cancelled within a merger could, depending on the structuring of such merger, trigger income taxation on the federal, cantonal and communal level.

**Swiss withholding tax**

The compensation for the shares cancelled within a merger could, depending on the structuring of such merger, trigger Swiss withholding tax.

The receipt of cash consideration under the Exchange Offer by an SRZ Shareholder in the United States will generally be a taxable transaction for U.S. federal, state and local income tax purposes. Cash received for SRZ Shares in a squeeze-out, or any other reorganisation having the same or a similar effect, will generally be treated the same as cash received in any other form of transaction as a result of the Exchange Offer. U.S. shareholders are urged to read the information set forth under “Certain Material U.S. Federal Income Tax Considerations of the Exchange Offer” in Annex 2 of this Offer

	Prospectus, which describes certain tax consequences to U.S. shareholders who receive net cash proceeds in the Exchange Offer.
<b>Tax Consequences for Certain Other Shareholders</b>	Swiss Re Ltd has obtained tax rulings for The Netherlands and Luxembourg. See Annex 2 for more information on certain tax consequences of the Exchange Offer for SRZ Shareholders resident in The Netherlands and Luxembourg.
<b>11 Delisting of the SRZ Shares / Squeeze-out</b>	<p>In the event that the Exchange Offer is successful, Swiss Re Ltd expects to delist the SRZ Shares from the SIX Swiss Exchange.</p> <p>If Swiss Re Ltd holds more than 98% of the SRZ Shares after completion of the Exchange Offer, Swiss Re Ltd will file a request with the competent court to invalidate the SRZ Shares of the remaining minority shareholders based on art. 33 SESTA.</p> <p>If, as a result of the Exchange Offer, Swiss Re Ltd holds more than 90% but not more than 98% of the SRZ Shares, SRZ will initiate appropriate measures to implement the new holding structure (e.g. by squeezing out the remaining SRZ Shareholders by means of merging SRZ with a special purpose vehicle, where the SRZ Shareholders would receive Swiss Re Ltd Shares or shares in such special purpose vehicle). Depending on the type of transaction, non-tendering SRZ Shareholders would receive either Swiss Re Ltd Shares or shares in a special merger vehicle. To comply with U.S. securities law, U.S. Shareholders who were not entitled to receive Swiss Re Ltd Shares in the Exchange Offer will always receive cash.</p> <p>Depending on the laws of the relevant jurisdiction, the tax consequences resulting from a squeeze-out (or any other reorganisation having the same or a similar effect) may be considerably more negative to remaining holders of SRZ Shares than accepting the Exchange Offer. Also, non-tendering shareholders may end up holding shares in a company that does not pay dividends or make other distributions or that pays significantly less dividends than historically paid by SRZ, or that makes distributions in a manner that is less tax efficient for the investor than distributions by Swiss Re Ltd could be.</p>

## K Governing Law / Jurisdiction

The Exchange Offer and all rights and obligations resulting therefrom are governed by Swiss law. The exclusive place of jurisdiction is the Commercial Court of the Canton of Zurich (*Handelsgericht des Kantons Zürich*).

## L Indicative Timetable

17 February 2011	Publication of the pre-announcement (in electronic media)
31 March 2011	Publication of the Offer Prospectus
1 April 2011	Start of the cooling-off period
14 April 2011	End of the cooling-off period
15 April 2011	Start of the Initial Acceptance Period
	Opening of second trading line for tendered SRZ Shares on SIX Swiss Exchange
17 May 2011	End of the Initial Acceptance Period, 16:00 CEST*
18 May 2011	Publication of preliminary interim results (in electronic media)*

20 May 2011	Extraordinary general meeting of shareholders of Swiss Re Ltd on capital increases*
	Publication of definitive interim results (in print media)*
	First payment of offer consideration / contribution of SRZ Shares tendered during Initial Acceptance Period and issuance of new Swiss Re Ltd Shares*
23 May 2011	Listing and first day of trading of Swiss Re Ltd Shares on the SIX Swiss Exchange and adjustment of SIX indices*
24 May 2011	Start of the Additional Acceptance Period*
7 June 2011	End of the Additional Acceptance Period, 16:00 CEST; closing of second trading line for tendered SRZ Shares*
8 June 2011	Publication of preliminary final results (in electronic media)*
10 June 2011	Publication of definitive final results (in print media)*
	Second payment of offer consideration / contribution of SRZ Shares tendered during Additional Acceptance Period and issuance of new Swiss Re Ltd Shares*
14 June 2011	Listing of additional newly issued Swiss Re Ltd Shares*

\* Swiss Re Ltd reserves the right according to section B.6 of this Offer Prospectus to extend the Initial Acceptance Period one or more times. In such a case, the timetable will be adjusted accordingly. The extension of the Initial Acceptance Period to more than 40 trading days can only occur with the consent of the Swiss Takeover Board.

## **M Publication**

The offer ad including a summary of the Offer Prospectus as well as all other publications in connection with the Exchange Offer are published (if required pursuant to applicable laws) in German in the *Neue Zürcher Zeitung* and in French in *Le Temps*. They will also be provided to Telekurs, Bloomberg and Reuters.

The full Offer Prospectus (in German, French and English) can be obtained without delay and free of charge from Credit Suisse AG, Zurich (telephone: +41 (0)44 333 43 85, telefax: +41 (0)44 333 35 93, e-mail: [equity.prospectus@credit-suisse.com](mailto:equity.prospectus@credit-suisse.com)). This Offer Prospectus can also be found at [www.swissre.com/investors/swissreholdco.html](http://www.swissre.com/investors/swissreholdco.html).

## **N Annexes**

- Annex 1: Additional information for U.S. Shareholders (including ADS Holders) and SRZ Shareholders in other Jurisdictions subject to Restrictions
- Annex 2: Tax Considerations for U.S. Shareholders and certain other Non-Swiss Shareholders

## Annex 1: Additional Information for U.S. Shareholders (including ADS Holders) and SRZ Shareholders in other Jurisdictions subject to Restrictions

### **I Information for U.S. Shareholders and ADS Holders**

An SRZ Shareholder who is resident in or otherwise located in the United States (or a person acting as agent, nominee custodian, trustee or otherwise for or on behalf of SRZ Shareholder resident in or otherwise located in the United States) (a “**U.S. Shareholder**”) who validly accepts the Exchange Offer will receive, in lieu of the Swiss Re Ltd Shares to which such shareholder would otherwise be entitled under the terms of the Exchange Offer, the net cash proceeds of the sale of such shares, unless Swiss Re Ltd is satisfied, in its sole discretion, that the Swiss Re Ltd Shares can be offered, sold or delivered to that person, or for his account or benefit, pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In light of the foregoing:

- (i) an SRZ Shareholder who represents and warrants in its acceptance form that it is either (A) in the United States or (B) acting as agent, nominee, custodian, trustee or otherwise for or on behalf of a U.S. Shareholder;
- (ii) an SRZ Shareholder who completes the acceptance form with an address in the United States or has a registered address in the United States;
- (iii) an SRZ Shareholder who inserts in its acceptance form the name and address of a person or agent in the United States to whom it wishes the consideration to which he is entitled under the Exchange Offer and/or any documents to be sent; or
- (iv) the acceptance of an SRZ Shareholder is received in an envelope postmarked in, or which otherwise appears to Swiss Re Ltd or its agents to have been sent from, the United States,

that SRZ Shareholder will be deemed to have irrevocably authorized Swiss Re Ltd and/or the Offer Manager and/or their respective agents to arrange for, or effect, the sale of the Swiss Re Ltd Shares to which such SRZ Shareholder would otherwise be entitled to pursuant to the Exchange Offer and to remit the cash proceeds, in Swiss francs, of such sale, net of expenses, to such shareholder instead. In such event, U.S. Shareholders should be aware that such sale of Swiss Re Ltd Shares will be made in the open market at prevailing prices at the end of each offering period (as applicable, the Initial Acceptance Period or the Additional Acceptance Period). This means that the amount of cash proceeds a U.S. Shareholder is entitled to receive in the Exchange Offer may differ depending on when a U.S. Shareholder tendered its SRZ Shares and the then-prevailing prices.

The foregoing will not apply if Swiss Re Ltd, in its sole discretion, is satisfied that the Swiss Re Ltd Shares can be offered, sold or delivered to that SRZ Shareholder, or for his account or benefit, pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Credit Suisse AG may act as selling agent in respect of the sales referred to above. None of SRZ, the Offer Manager or any selling agent will have any obligations whatsoever (subject to the duty of “best execution” under Swiss rules, to the extent applicable) in relation to the timing of the sales referred to above or the price obtained, and such sales may be made individually or together with other Swiss Re Ltd Shares to which such provisions apply.

U.S. Shareholders should be aware that such sale of Swiss Re Ltd Shares will not be underwritten and the net cash proceeds to be received as a result thereof is uncertain. None of Swiss Re Ltd or the Offer Manager or any of their respective directors, affiliates, associates or agents shall have any liability to U.S. Shareholders to achieve a particular price per Swiss Re Ltd Share. The net cash proceeds, in Swiss francs, of such sales will be distributed pro rata to each U.S. Shareholder, or person acting as agent, nominee, custodian, trustee or otherwise for or on behalf of a U.S. Shareholder, entitled thereto.

In connection with any sale of Swiss Re Ltd Shares to which a U.S. Shareholder may otherwise be entitled pursuant to the Exchange Offer, amounts will be retained in respect of expenses (including, as applicable and without limitation, any brokerage fees and commissions, wire transfer fees, stamp duty or other miscellaneous fees and expenses, together with any applicable value added tax payable thereon) incurred by Swiss Re Ltd or the Offer

Manager or any of their respective directors, affiliates, associates or agents acting on behalf of the relevant U.S. Shareholder, or person acting as agent, nominee, custodian, trustee or otherwise for or on behalf of a U.S. Shareholder, in connection with such sale.

#### *ADS Holders*

The Deposit Agreement was terminated on 21 March 2011 and the ADS Depositary ceased to issue new ADSs as of close of business on that date. SRZ and the ADS Depositary also agreed to amend the Deposit Agreement to shorten from six months to 45 days the period after termination of the Deposit Agreement during which ADS Holders may surrender their ADSs and receive SRZ Shares. Such amendment became effective on 21 March 2011. Pursuant to the Deposit Agreement, as amended, ADS Holders are entitled to surrender their ADSs to the ADS Depositary until 5 May 2011 and receive SRZ Shares. If after 5 May 2011 ADS Holders have not surrendered their ADSs and have not requested delivery of the SRZ Shares underlying their ADSs, such ADS Holders will lose the right to receive such shares and, instead, will be entitled, upon subsequent surrender of their ADSs, to receive the net proceeds received by the ADS Depositary from the sale of such shares in the market, after deduction of cancellation fees and any applicable taxes, governmental and transaction charges. As stated in the termination notice, SRZ agreed to bear cancellation fees triggered by any surrender of ADSs between 21 March 2011 and 20 April 2011.

## **II Information for other Non-Swiss Shareholders**

Swiss Re Ltd reserves the right to treat any acceptance of the Exchange Offer as invalid if it is made or purported to be made by the persons from whom such acceptance or election(s) would, in the opinion of Swiss Re Ltd, constitute a breach of the laws of the relevant jurisdiction. In particular, without limitation, Swiss Re Ltd reserves the right to arrange for the sale of Swiss Re Ltd Shares to which any Shareholder not resident in Switzerland (a “**Non-Swiss Shareholder**”) may otherwise be entitled pursuant to the Exchange Offer and to remit the cash proceeds, in Swiss francs, of such sale, net of expenses incurred by Swiss Re Ltd or the Offer Manager or any of their respective directors, affiliates, associates or agents acting on behalf of the relevant Non-Swiss Shareholders in connection with such sale (including, as applicable and without limitation, any brokerage fees and commissions, wire transfer fees, stamp duty or other miscellaneous fees and expenses, together with any applicable value added tax payable thereon), to such Non-Swiss Shareholder instead.

Neither Swiss Re Ltd nor the Offer Manager will have any obligations whatsoever (subject to the duty of “best execution” under applicable Swiss rules, to the extent applicable) in relation to the timing of such sales or the price obtained and such sales may be made individually or together with other shares to which such provisions apply. Such sales have not been, and will not be, underwritten and the net cash proceeds to be received as a result thereof is uncertain.

Any signed acceptance form shall constitute:

- (i) the irrevocable instruction to Swiss Re Ltd and/or the Offer Manager and/or their respective agents to arrange for the sale of Swiss Re Ltd Shares to which such Non-Swiss Shareholder would otherwise be entitled to pursuant to the Offer and to remit the cash proceeds, in Swiss francs, of such sale, net of expenses, to such Non-Swiss Shareholder; and
- (ii) the irrevocable appointment of Swiss Re Ltd and/or the Offer Manager and/or their respective agents to effect such sale as such Non-Swiss Shareholder’s agent, with full power (including powers of delegation) to do all such things as may be necessary for, or ancillary to, such purpose.

Swiss Re Ltd also reserves the right to permit the Exchange Offer to be accepted by, and to issue or deliver any share certificates and/or documents of title to, a Non-Swiss Shareholder (otherwise unable to accept the Offer in accordance with the above) in circumstances in which Swiss Re Ltd is satisfied that acceptance by such shareholder and the issue or delivery of any documents of title to such shareholder will not constitute a breach of any securities or other relevant legislation or impose obligations on Swiss Re Ltd not contemplated by the Offer (and, in any such case, Swiss Re Ltd may impose reasonable additional requirements and restrictions on such acceptance and the share certificates and/or the documents of title issued).

## Annex 2: Tax Considerations for U.S. Shareholders and certain other Non-Swiss Shareholders

### **I Certain Material U.S. Federal Income Tax Considerations of the Exchange Offer**

***TREASURY DEPARTMENT CIRCULAR 230. TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFER PROSPECTUS IS NOT INTENDED OR WRITTEN BY US TO BE RELIED UPON AND CANNOT BE RELIED UPON BY YOU FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.***

The following is a discussion of the material U.S. federal income tax consequences applicable to U.S. Holders (as defined below) that accept the Exchange Offer and receive cash for their SRZ Shares. The following does not discuss the consequences to U.S. Holders who may be entitled to exchange their SRZ Shares for Swiss Re Ltd Shares on a tax-free basis, and who do not receive only cash as a result of the Exchange Offer. These discussions are not a complete analysis or listing of all of the possible tax consequences of the Exchange Offer and do not address all tax considerations that may be relevant to you. Special rules that are not discussed in the general descriptions below may also apply. In particular, the description of U.S. federal income tax consequences deals only with U.S. Holders that hold SRZ Shares as capital assets and that do not own individually, nor are treated as owning, directly or indirectly, 10% or more of the voting power of our aggregate shares outstanding. In addition, this description of U.S. federal income tax consequences does not address the tax treatment of special classes of U.S. Holders, such as banks and other financial institutions, tax-exempt entities, insurance companies, persons holding shares as part of a “straddle”, “hedge”, “integrated transaction”, or “conversion transaction”, persons holding shares through partnerships or other pass-through entities, U.S. expatriates, persons liable for alternative minimum tax, broker-dealers or traders in securities or currencies, holders whose “functional currency” is not the U.S. dollar, regulated investment companies, real estate investment trusts, traders in securities who have elected the mark-to-market method of accounting for their securities, foreign corporations, and non-resident alien individuals and other persons not subject to U.S. federal income tax on their worldwide income.

These discussions are based on the United States Internal Revenue Code of 1986, as amended, existing and proposed Treasury regulations promulgated there under, judicial decisions, published rulings and administrative pronouncements as in effect on the date hereof, any of which may change, possibly with retroactive effect. There can be no assurance that the United States Internal Revenue Service (“IRS”) will not disagree with or will not challenge any of the conclusions reached and described herein.

For purposes of this section, you are a **“U.S. Holder”** if you are for U.S. federal income tax purposes: (i) an individual citizen of the United States or a resident alien of the United States; (ii) a corporation (or other entity treated as a corporation) created or organized under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. Persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. Person.

If a partnership or other pass-through entity is a beneficial owner of SRZ Shares, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity. Partners (or other owners) of a pass-through entity that exchanges SRZ Shares for cash pursuant to the Exchange Offer, should consult their tax advisor.

This discussion assumes that SRZ is not a passive foreign investment company (a **“PFIC”**) for U.S. federal income tax purposes, which SRZ believes to be the case. SRZ’s possible status as a PFIC must be determined annually and therefore may be subject to change. If SRZ were a PFIC, materially adverse consequences could result for U.S. Holders.

This discussion does not generally address any aspects of United States taxation other than federal income taxation, is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice, and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder is made.



U.S. Holders are urged to consult their tax advisors as to the particular consequences to them under U.S. federal, state and local tax laws of accepting the Exchange Offer.

#### *Consequences of the Exchange Offer*

The receipt of cash in exchange for SRZ Shares pursuant to the Exchange Offer will be a taxable transaction for U.S. federal income tax purposes. Subject to the PFIC rules discussed below, a U.S. Holder will generally recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of the amount realized and the U.S. Holder's adjusted tax basis (determined in U.S. dollars) in the shares exchanged in the Exchange Offer. Gain or loss must be calculated separately for each block of shares exchanged by a U.S. Holder. A U.S. Holder's adjusted tax basis in each block of shares generally will be the cost to such U.S. Holder of such block of shares. Capital gains of individuals derived with respect to SRZ Shares held for more than one year at the time of the exchange may be eligible for preferential long-term capital gains rates. The deductibility of capital losses is subject to limitations. Capital gain or loss realized by a U.S. Holder upon a disposition of shares will constitute income or loss from sources within the United States for foreign tax credit limitation purposes.

The amount of any foreign currency a U.S. Holder receives will be translated into U.S. dollars for purposes of calculating the gain or loss described above using the exchange rate applicable on the date the foreign currency is received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars. If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to the U.S. dollar value of the foreign currency on the date of receipt, and any gain or loss realized on a subsequent conversion or other disposition will generally be treated as ordinary income or loss. A U.S. Holder should consult its own tax advisor regarding the United States federal income tax consequences of acquiring, holding and disposing of foreign currency.

#### *Non-tendering U.S. Shareholders*

As discussed above, if, as a result of the Exchange Offer, Swiss Re Ltd holds more than 90% but not more than 98% of the SRZ Shares, SRZ will initiate appropriate measures to implement the new holding structure. Moreover, if Swiss Re Ltd holds more than 98% of the SRZ Shares after the completion of the Exchange Offer, Swiss Re Ltd will file a request with the competent court to invalidate the SRZ Shares of the remaining minority shareholders based on article 33 of the SESTA. To comply with U.S. securities law, those U.S. Shareholders who were not entitled to receive Swiss Re Ltd Shares in the Exchange Offer will, in either case, receive cash. For U.S. tax purposes, cash received for SRZ Shares in a squeeze-out, or any other reorganisation having the same or a similar effect, will generally be treated the same as cash received in any other form of transaction as a result of the Exchange Offer.

#### *Passive Foreign Investment Company Considerations*

If SRZ is classified as a PFIC in any year, special, possibly materially adverse, consequences will result for U.S. Holders. A corporation organized outside the U.S. generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which either: (a) at least 75 percent of its gross income is "passive income" or (b) at least 50 percent of the average gross value of its assets is attributable to assets that produce "passive income" or are held for the production of "passive income" for the taxable year. "Passive income" for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. However, passive income for this purpose does not include any income derived in the active conduct of any insurance business by a corporation which is predominantly engaged in an insurance business and which would be subject to tax under subchapter L (insurance companies) of the Internal Revenue Code if it were a U.S. corporation. In determining whether it is a PFIC, a foreign corporation is required to take into account a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25 percent interest. SRZ believes that it is not, and does not expect to become, a PFIC for U.S. federal income tax purposes for 2011. However, PFIC status is fundamentally factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually (the average value of assets for each year being the average of the fair market values of the assets determined as of the end of each quarter). Consequently, although SRZ expects that SRZ's mix of income and assets, taking into account the active insurance company exception described above, will enable SRZ to avoid PFIC status, SRZ cannot absolutely rule out the possibility that SRZ will be a PFIC for the current taxable year. If SRZ is classified as a PFIC in any year of U.S. Holder's holding period, then SRZ generally will continue to be treated as a PFIC for such U.S. Holder in all succeeding years, regardless of whether SRZ continues to meet the income or asset test described above. U.S. Holders are urged to consult their own tax advisers regarding the possible applicability of the PFIC rules and the consequences of PFIC status.

### *United States Backup Withholding*

Payments of sales proceeds that are paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and to backup withholding (currently at a rate of 28%) unless the U.S. Holder:

- is a corporation or other exempt recipient, or
- in the case of backup withholding, provides a correct taxpayer identification number and certifies that such U.S. Holder is not subject to backup withholding.

Any amount withheld under these rules will be creditable against the U.S. Holder's U.S. federal income tax liability or refundable to the extent that it exceeds such liability if the U.S. Holder provides the required information to the IRS. If a U.S. Holder is required to and does not provide a correct taxpayer identification number, the U.S. Holder may be subject to penalties imposed by the IRS. All U.S. Holders should consult their tax advisors as to their qualification for the exemption from backup withholding and the procedure for obtaining an exemption. U.S. Holders should provide a W-9 to Swiss Re Ltd or its agent (in accordance with the instructions set out in the acceptance form). If a U.S. Holder will be delivering an acceptance form to a non-U.S. financial intermediary that will be making a payment directly to such U.S. Holder and such non-U.S. financial intermediary is not required to comply with U.S. backup withholding rules, the non-U.S. financial intermediary may not be required to receive a Form W-9. In that case, a U.S. Holder should contact its own tax advisors and/or such non-U.S. financial intermediary regarding these requirements.

## **II Certain Material Tax Considerations for SRZ Shareholders resident in The Netherlands and Luxembourg**

### **1 Certain tax consequences of the Exchange Offer for SRZ Shareholders resident in The Netherlands**

This section does not purport to be a comprehensive description of the Dutch tax aspects that might be relevant upon an exchange of SRZ Shares into Swiss Re Ltd Shares, since the summary solely pertains to the specific tax consequences of an exchange of SRZ Shares for Swiss Re Ltd Shares for the categories of shareholders specifically mentioned below.

In general, for Dutch tax purposes, an exchange of SRZ Shares for Swiss Re Ltd Shares is considered as a disposal of the SRZ Shares and a subsequent purchase of the Swiss Re Ltd Shares. Consequently, any capital gain realized upon the disposal of the SRZ Shares would generally be subject to:

- (i) personal income tax in the hands of a Dutch resident individual, in the event the SRZ Shares are attributable to an enterprise from which that individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder); or
- (ii) corporate income tax in the hands of a Dutch resident corporate entity, unless such entity is eligible for some form of exemption, either in general or specifically in relation to its shareholding in SRZ (e.g. pursuant to the Dutch participation exemption).

Note that any capital gain realized upon the exchange of SRZ Shares for Swiss Re Ltd Shares is also subject to personal income tax in the hands of a Dutch resident individual owning a substantial interest (*aanmerkelijk belang*) in SRZ. However, since the section below only pertains to the calculation of profits (i.e., business income) in accordance with Dutch tax accounting principles known as sound business practice (*goed koopmansgebruik*), in principle it does not apply to shareholders owning a substantial interest.

#### *Roll over ruling*

Pursuant to the “roll over” doctrine (*ruilgedachte*) as developed in case law from the Dutch Supreme Court, the moment of recognition of a capital gain realized upon the exchange of an asset for another asset can be deferred (“rolled over”) if from an economical perspective, the asset which is acquired in fact replaces or continues the asset disposed of, meaning that recognition of a profit should not take place. The main condition for such a roll over is that the asset acquired is of a similar nature and has a similar position (from an economical perspective) within the company.

More specifically, in its verdict of June 16, 2006, the Dutch Supreme Court approved the application of the roll over doctrine in a situation whereby shares in a holding company were replaced by shares in its subsidiary. Since the assets of the holding company comprised solely the shares in its subsidiary, there was a clear relationship between the share prices of both companies and the dividends distributed by the holding company were completely depending on the subsidiary’s economic performance. Therefore, the shares in the subsidiary could be considered to have a similar function as the shares in the holding company from an economic point of view.

In relation to the contemplated Exchange Offer, a ruling has been obtained from the Dutch tax authorities confirming that the above-mentioned Supreme Court verdict applies equally to the exchange of SRZ Shares into Swiss Re Ltd Shares in this Exchange Offer, to the effect that the Swiss Re Ltd Shares are deemed to replace the SRZ Shares. Consequently, for the categories of shareholders mentioned above, the moment of recognition of any capital gain realized upon the exchange of SRZ Shares can be deferred until the moment the Swiss Re Ltd Shares acquired are disposed of.

### **2 Certain tax consequences of the Exchange Offer for SRZ Shareholders resident in Luxembourg**

From a Luxembourg point of view, the taxation for investors can be different depending on the category of the shareholders. The section below reflects the main tax consequences for Luxembourg corporate shareholders. The facts are based on the law in force at the date of this Offer Prospectus and relate to investors resident in the Grand-duchy of Luxembourg. This summary is solely intended to provide general guidance and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to exchange SRZ Shares for Swiss Re Ltd Shares.

## **Taxation at the level of Luxembourg corporate shareholders**

The exchange of shares at the level of Luxembourg corporate shareholders is considered as a sale followed by a subsequent acquisition of shares. The sale should take place at market value and any capital gain should be subject to income tax.

Nonetheless, the Luxembourg Income Tax Law provides certain exemptions or possibility for non disclosure of such a capital gain:

### *Luxembourg Participation Exemption regime*

If the conditions of the Luxembourg Participation Exemption regime are met, any gain realized by Luxembourg corporate shareholders should benefit from this regime. Conditions that need to be fulfilled can be summarized as follows:

- Status of Luxembourg entity: fully taxable resident Luxembourg entity
- Status of foreign subsidiary (SRZ): Swiss resident corporation fully subject to income tax comparable to the Luxembourg income tax (a minimum income tax of 10.5% generally satisfies this requirement as long as the taxable basis is determined according to rules and criteria similar to those applicable in Luxembourg)
- Size of the participation: 10% or an acquisition price of at least €6,000,000
- Minimum (uninterrupted) retention period: 12 months

### *Luxembourg Roll-over provision (non disclosure of capital gain)*

If the above conditions are not met, the exchange of shares could however be executed in a tax neutral manner provided that the following conditions are met:

- the Luxembourg corporate shareholder receives Swiss Re Ltd Shares in exchange for SRZ Shares;
- subsequent to this exchange, Swiss Re Ltd holds the majority of the voting rights in SRZ;
- Swiss Re Ltd and SRZ are subject to a Luxembourg comparable tax rate (see above); and
- no capital gain should be accounted for in the accounts of the Luxembourg corporate shareholder (book value are continued).

The first two of the above four conditions are questions of fact which can be answered in the affirmative. The third condition has been discussed with the Luxembourg tax authorities, who have confirmed that they are met in the present case – both Swiss Re Ltd and SRZ can be considered to be subject to a comparable Luxembourg tax rate for the purposes of the above stated regimes. The fourth condition is for the shareholder to meet.

Any categories of shareholders other than corporate shareholders are not covered by the present section and should independently seek advice on the Luxembourg tax consequences that may be relevant to the exchange of SRZ Shares for Swiss Re Ltd Shares in the Exchange Offer.

(This page has been left blank intentionally.)

