

*This document does not constitute an invitation to participate in the Tender Offers in or from any jurisdiction in or from which or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws. The distribution of this document in certain jurisdictions may be restricted by law. See "Certain Legal Restrictions" herein. Persons into whose possession this document comes are required by each of the Government of Bermuda and the Dealer Manager to inform themselves about, and to observe, any such restrictions.*



## GOVERNMENT OF BERMUDA

### Offers to Purchase for Cash Up to U.S.\$150,000,000 in Aggregate Principal Amount of its Outstanding 5.603% Senior Notes due 2020 and 4.138% Senior Notes due 2023

The Government of Bermuda (the "Government," "Bermuda" or "we") is offering to purchase for cash from each registered holder (each, a "Holder" and, collectively, the "Holders"), upon the terms and subject to the conditions set forth in this Offer to Purchase (as amended or supplemented from time to time, the "Offer to Purchase"), up to U.S.\$150,000,000 in aggregate principal amount (as such amount may be increased at the sole discretion of the Government, the "Maximum Tender Amount") of its outstanding 5.603% Senior Notes due 2020 (the "Notes due 2020") and 4.138% Senior Notes due 2023 (the "Notes due 2023," and, together with the Notes due 2020, the "Existing Notes"), such Maximum Tender Amount initially intended to be allocated between the series of Existing Notes in the Government's discretion (each, a "Tender Offer Cap"). We refer to the offers to purchase up to the Maximum Tender Amount of the series of Existing Notes identified above in this Offer to Purchase as the "Tender Offers" and an offer to purchase the particular series of Existing Notes as a "Tender Offer."

The Tender Offers are subject to the concurrent (or earlier) closing of a new series of notes (the "New Notes") to be issued by the Government, in an amount, with pricing and on terms and conditions acceptable to the Government (the "New Notes Offering"), in its discretion. The New Notes Offering will be made solely by means of an offering memorandum relating to that offering, and this Offer to Purchase does not constitute an offer to sell or the solicitation of an offer to buy any New Notes. The New Notes will be offered only to qualified institutional buyers ("QIBs") in the United States in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act.

For each U.S.\$1,000 principal amount of Existing Notes that are validly tendered on or prior to the Early Participation Deadline (as defined below), and accepted pursuant to the Tender Offers, the Government will pay the applicable Total Consideration indicated in the table below (each, a "Total Consideration"), plus Accrued Interest (as defined herein) thereon. The Total Consideration includes an early tender premium per U.S.\$1,000 principal amount of each series of Existing Notes validly tendered on or prior to the Early Participation Deadline and accepted for purchase, equal to the amount indicated in the table below (each, an "Early Tender Premium"). For each U.S.\$1,000 principal amount of Existing Notes validly tendered after the Early Participation Deadline but on or prior to the Expiration Time (as defined below), and accepted pursuant to the Tender Offers, the Government will pay the applicable Purchase Price indicated in the table below (each, a "Purchase Price"), plus Accrued Interest (as defined herein) thereon.

Description of Existing Notes	Outstanding Principal Amount as of the date hereof	ISIN	CUSIP	Common Code	Purchase Price*	Early Tender Premium*	Total Consideration*
5.603% Senior Notes due 2020	U.S.\$500,000,000	USG1035JAB47 (Reg S)	G1035JAB4 (Reg S)	052736617 (Reg S)	U.S.\$1,110.00	U.S.\$30.00	U.S.\$1,140.00
4.138% Senior Notes due 2023	U.S.\$475,000,000	US38377HAA59 (144A)	38377HAA5 (144A)	052736609 (144A)	U.S.\$1,050.00	U.S.\$30.00	U.S.\$1,080.00
		USG10367AA14 (Reg S)	G10367AA1 (Reg S)	080073682 (Reg S)			
		US085209AB07 (144A)	085209AB0 (144A)	080073704 (144A)			

\* Per U.S.\$1,000 Principal Amount of Existing Notes accepted for purchase.

Tenders may be subject to proration. Valid tenders of either series of Existing Notes made in accordance with the terms and conditions of the Tender Offers ("Tenders") submitted on or prior to the Early Participation Deadline (as defined below) will be preferred and accepted before any Tenders submitted after the Early Participation Deadline, meaning that Tenders submitted after the Early Participation Deadline may not be accepted at all. In addition, Tenders in an aggregate principal amount in excess of the Maximum Tender Amount, or in excess of the Tender Offer Cap applicable to such series of the Existing Notes, may be subject to proration. For a description of the applicable proration procedures, see "The Tender Offers—Tender Procedures—Acceptance of Tenders; Priority; Proration; Denominations."

The Tender Offers are not conditioned upon any minimum participation by the Holders of Existing Notes, but are conditioned on the satisfaction or waiver by the Government of the conditions described under "The Tender Offers—Conditions to the Tender Offers", the closing of the New Notes Offering and the dealer manager agreement relating to the Tender Offers not being terminated prior to or at the time of the settlement of the Tender Offers.

Each Tender Offer is an independent offer and can be modified and/or terminated without affecting the terms or conditions of any other Tender Offer. The Government may, at its sole discretion, extend, re-open, amend or waive any condition of or terminate either or both of the Tender Offers at any time or may close a Tender Offer to further Tenders if Tenders at or in excess of the applicable Tender Offer Cap have been received on or prior to the Early Participation Deadline. In the event of a termination of a Tender Offer, the relevant Existing Notes will be returned to the Holder.

**THE TENDER OFFERS WILL COMMENCE ON SEPTEMBER 28, 2016 AND, UNLESS EXTENDED OR EARLIER TERMINATED, EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 18, 2016 (SUCH TIME AND DATE, AS MAY BE EXTENDED OR EARLIER TERMINATED, THE "EXPIRATION TIME"). HOLDERS MUST VALIDLY TENDER THEIR EXISTING NOTES ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 7, 2016 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED, THE "EARLY PARTICIPATION DEADLINE") TO BE ELIGIBLE TO RECEIVE THE TOTAL CONSIDERATION. HOLDERS WHO VALIDLY TENDER THEIR EXISTING NOTES AFTER THE EARLY PARTICIPATION DEADLINE AND PRIOR TO THE EXPIRATION TIME WILL ONLY BE ELIGIBLE TO RECEIVE THE PURCHASE PRICE, WHICH DOES NOT INCLUDE THE EARLY TENDER PREMIUM. SEE "THE TENDER OFFERS—TENDER PROCEDURES."**

You must submit all your tendered Existing Notes through the Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg"), or the Depository Trust Company ("DTC") clearing systems. Failure to deliver Existing Notes on time may result in the cancellation of your Tender. Existing Notes accepted for purchase will be settled on the Settlement Date (as defined herein).

This Offer to Purchase does not constitute an offer to buy or a solicitation of an offer to sell any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The Tender Offers are being made only in those jurisdictions where it is legal to do so. See "Jurisdictional Restrictions." None of the Government, the Dealer Manager or the Tender and Information Agent makes any recommendation in connection with the Tender Offers.

The Bermuda Stock Exchange takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance on any the contents of this document.

*The Dealer Manager for the Tender Offers is:*

**HSBC**

The date of this Offer to Purchase is September 28, 2016.

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## **CERTAIN OFFER MATTERS**

Any questions regarding the Tender Offers may be directed to Global Bondholder Services Corporation (“GBSC”), the tender and information agent (the “Tender and Information Agent”), at the telephone numbers provided on the back cover of this Offer to Purchase. Holders may also contact HSBC Securities (USA) Inc. (“HSBC”) (the “Dealer Manager”) at the telephone number provided on the back cover of this Offer to Purchase for information concerning the Tender Offers.

Neither the Government nor the Dealer Manager will pay any commissions or other remuneration to any broker, dealer, salesman or other person for soliciting tenders of the Existing Notes. Tendering Holders will not be obligated to pay the fees of the Dealer Manager and the Tender and Information Agent; however, such Holders may be required to pay a fee or commission to their broker or intermediary through whom their Existing Notes are tendered.

Allocations in the New Notes Offering will be determined by Bermuda and HSBC in their sole discretion based on a number of different factors, which may include an assessment of an investor’s long-term interest in owning Bermuda’s debt securities, the size and timing of such investor’s indication of interest in purchasing New Notes, and the Tenders in the Tender Offers. However, neither Bermuda nor HSBC are obligated to consider participation in the Tender Offers in making an allocation determination with respect to the New Notes with regard to any particular investor.

The Government is responsible only for the information provided in this Offer to Purchase. Neither the Government nor the Dealer Manager has authorized anyone else to provide you with different information.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Offer to Purchase and, if given or made, such information or representations must not be relied upon as having been authorized by the Government, the Dealer Manager or the Tender and Information Agent, and none of the Government, the Dealer Manager or the Tender and Information Agent takes any responsibility for information that others may give to you.

The Government is furnishing this Offer to Purchase solely for use by current Holders of the Existing Notes in the context of the Tender Offers. The Government confirms that:

- the information contained in this Offer to Purchase is true and correct in all material respects and is not as a whole misleading as of the date of this Offer to Purchase;
- it has not omitted other material facts the omission of which makes this Offer to Purchase as a whole misleading as of the date of this Offer to Purchase; and
- it accepts responsibility for the information it has provided in this Offer to Purchase.

Before you decide to participate in the Tender Offers, you should read this Offer to Purchase.

The information contained in this Offer to Purchase is current only as of its respective date. Neither the delivery of this Offer to Purchase nor any purchase made hereunder shall, under any circumstances, create any implication that the information in this Offer to Purchase is correct as of any time subsequent to the date hereof or other dates which are specified herein, or that there has been no change in the affairs of the Government since such dates.

The Government intends to apply a portion of the net proceeds of the New Notes Offering to purchase any Existing Notes tendered and accepted in the Tender Offers upon the concurrent (or earlier) closing of the New Notes Offering. The Government will cancel the Existing Notes it acquires following the Tender Offers. Accordingly, upon completion of the Tender Offers, the aggregate principal amount of each series of Existing Notes purchased in the Tender Offers that otherwise might trade in the market will be reduced, which could adversely affect the liquidity and market value of the remaining Existing Notes that are not purchased in the Tender Offers.

None of the Government, the Dealer Manager or the Tender and Information Agent has expressed any opinion as to whether the terms of the Tender Offers are fair. None of the Government, the Dealer Manager or the Tender and Information Agent makes any recommendation that you tender your Existing Notes or refrain from doing so pursuant to the Tender Offers, and no one has been authorized by the Government, the Dealer Manager or the Tender and Information Agent to make any such recommendation. You must make your own decision as to whether to tender Existing Notes or refrain from doing so, and, if so, the principal amount of Existing Notes to tender.

In the event a Tender Offer is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Government, the applicable Total Consideration or Purchase Price, as applicable, will not be paid or become payable to Holders who have validly tendered their Existing Notes in connection with such Tender Offer.

You must comply with all laws that apply to you in any place in which you possess this Offer to Purchase. You must also obtain any consents or approvals that you need in order to accept this Offer and make Tenders. None of the Government, the Dealer Manager or the Tender and Information Agent is responsible for your compliance with these legal requirements. It is important that you read “Jurisdictional Restrictions” beginning on page 19 of this document. The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Tender Offers in, from, or otherwise involving, the United Kingdom.

The Government has prepared this Offer to Purchase and is solely responsible for its contents. You are responsible for making your own examination of the Government and your own assessment of the merits and risks of participating in the Tender Offers. By tendering your Existing Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offer to Purchase;
- you have had an opportunity to request and review any additional information that you may need; and
- Neither the Dealer Manager nor the Tender and Information Agent is responsible for, nor is making any representation to you concerning, the accuracy or completeness of this Offer to Purchase.

The Government and the Dealer Manager are not providing you with any legal, business, tax or other advice in this Offer to Purchase. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to accept the Tender Offers and submit Tenders.

As used in this Offer to Purchase, “Business Day” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City. References herein to “U.S.\$,” “USD,” “U.S. dollars” or “dollars” are to United States dollars.

### **Important Information for Tendering Existing Notes**

Any Holder wishing to tender Existing Notes pursuant to the Tender Offers should transmit an Agent’s Message (as defined herein) together with the confirmation of the transfer of such Existing Notes into the account of the Tender and Information Agent with DTC pursuant to the procedures for book-entry transfer set forth herein. Beneficial owners whose Existing Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they wish to tender Existing Notes. **Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Tender Offers. Accordingly, beneficial owners wishing to participate in the Tender Offers should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to so participate. See “The Tender Offers—Tender Procedures.”**

The Government expects that DTC will authorize participants that hold Existing Notes on behalf of beneficial owners of Existing Notes through DTC to tender their Existing Notes as if they were Holders. To effect a Tender, DTC participants may transmit their acceptance to DTC through the DTC Automated Tender Offer Program (“ATOP”), for which the Tender Offers will be eligible, and follow the procedures for book-entry transfer set forth in “The Tender Offers—Tender Procedures.”

A beneficial owner who holds Existing Notes through Euroclear or Clearstream, Luxembourg and wishes to tender its Existing Notes must arrange for a direct participant in Euroclear or Clearstream, Luxembourg to deliver a valid electronic acceptance instruction (an “Electronic Acceptance Instruction”), which includes the proper Note Instructions (as defined herein), to Euroclear or Clearstream, Luxembourg, as applicable. Only a direct participant in Euroclear or Clearstream, Luxembourg may submit an Electronic Acceptance Instruction to Euroclear or Clearstream, Luxembourg. See “The Tender Offers—Tender Procedures.”

The Government has not provided any guaranteed delivery provisions in connection with the Tender Offers. You must tender your Existing Notes in accordance with the procedures set forth in “The Tender Offers—Tender Procedures.”

### **Jurisdiction; Enforcement of Judgments**

Bermuda is a sovereign state. We have been advised by Melvin Douglas, Solicitor General of Bermuda, that there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be enforceable in Bermuda against the Government or its officials depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over the Government or its officials, as determined by reference to Bermuda conflicts of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court in connection with such an action and the issue of submission and jurisdiction is a matter of Bermuda, as opposed to U.S., law.

In addition, and irrespective of jurisdictional issues, Bermuda courts will not enforce a U.S. federal securities law that is either penal or contrary to public policy. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, would not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against the Government or its officials in the first instance for violation of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on the Government if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

All of the Government’s officials and all or a substantial portion of the Government’s assets are located outside of the United States. Accordingly, the enforceability in Bermuda of a judgment based on U.S. federal securities laws against the Government or its officials may be limited. The Government is a sovereign government and agencies and instrumentalities thereof are generally immune from lawsuits and from the enforcement of judgments under U.S. law. With respect to the contractual liability of the Government to perform its respective obligations under the indentures governing the Existing Notes, with respect to itself or its property, the Government: (1) has agreed that the execution, delivery and performance by it of the indentures constitute private and commercial acts done for private and commercial purposes; (2) has agreed, to the extent it or any of its revenues, assets or properties shall be entitled, with respect to any claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to the indentures at any time brought against it or any of its revenues, assets or properties, or with respect to any suit, action or proceeding at any time brought solely for the purpose of enforcing or executing any judgment in any state or U.S. federal court in the State of New York or in any jurisdiction in which any other court is located, to any immunity from suit, from the jurisdiction of any such court, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process or remedy, and to the extent that in any such jurisdiction there shall be attributed such an immunity, not to claim and irrevocably waive such immunity to the fullest extent permitted by the laws of such jurisdiction (including, without limitation, the U.S. Foreign Sovereign Immunities Act of 1976); and (3) to the extent it or any of its revenues, assets or properties shall be entitled, in any jurisdiction, to any immunity from setoff,

banker's lien or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, has irrevocably agreed not to claim and has irrevocably waived such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with the indentures.

### **Forward-Looking Statements**

This Offer to Purchase contains “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this Offer to Purchase are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Government, to be materially different from any future results or performance expressed or implied by such forward-looking statements. These statements are based on certain assumptions and analyses the Government has made in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. The Government cautions you that a number of important factors could cause actual results and developments to differ materially from those contained in any forward-looking statement. The information contained in this Offer to Purchase identifies important factors that could cause such differences.

### **Governing Law**

This Offer to Purchase, the Tender Offers and any purchase of Existing Notes by the Government pursuant to the Offer to Purchase, as well as any non-contractual obligation arising out of or in connection therewith, will be governed by and construed in accordance with the laws of the State of New York and the Federal Law of the United States.

## **CERTAIN LEGAL RESTRICTIONS**

The distribution of materials relating to this Offer to Purchase, and the transactions contemplated by the Tender Offers, may be restricted by law in certain jurisdictions. The Tender Offers are made only in those jurisdictions where it is legal to do so. The Tender Offers are void in all jurisdictions where they are prohibited. If materials relating to the Tender Offers come into your possession, you are required to inform yourself of and to observe all of these restrictions. The materials relating to the Tender Offers do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. See “Jurisdictional Restrictions.”

## SUMMARY TIMETABLE

*The following summarizes the anticipated time schedule for the Tender Offers assuming, among other things, that the time of expiration of the Tender Offers is not extended. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer to Purchase.*

September 28, 2016 .....	Commencement of the Tender Offers.
	You may tender your Existing Notes through the DTC, Euroclear or Clearstream, Luxembourg clearing systems. Failure to deliver your Existing Notes on time may result in the cancellation of your Tender and in you becoming liable for any damages resulting from that failure. <b>This is the only way you may tender into the Tender Offers. See “The Tender Offers—Tender Procedures.”</b>
5:00 p.m. (New York City time) on October 7, 2016, unless extended (the “Early Participation Deadline”).....	The deadline by which a Holder must have validly tendered its Existing Notes in order to be eligible for the applicable Total Consideration.
8:00 a.m. (New York City time) October 11, 2016, subject to change without notice .....	The Government expects to announce the aggregate principal amount of each series of Existing Notes validly tendered on or prior to the Early Participation Deadline.
5:00 p.m. (New York City time) on October 18, 2016, unless extended or earlier terminated (the “Expiration Time”).....	The deadline by which a Holder must have validly tendered its Existing Notes in order to be eligible to participate in the Tender Offers. Holders who validly tender their Existing Notes after the Early Participation Deadline and on or prior to the Expiration Time will be eligible to receive the applicable Purchase Price only. If either or both of the Tender Offers is extended or earlier terminated, the term “Expiration Time” shall mean the time and date on which the affected Tender Offer, as so extended or earlier terminated, shall expire.
8:00 a.m. (New York City time) on October 19, 2016, subject to change without notice.....	The Government expects to announce the aggregate principal amount of Tenders of each series of Existing Notes that has been accepted and whether any proration of such Tenders has occurred.
October 19, 2016, subject to change without notice (the “Settlement Date”) .....	Subject to the concurrent (or earlier) closing of the New Notes Offering and the other terms and conditions set forth herein, the Government will pay the applicable Total Consideration or Purchase Price, as applicable, in each case plus Accrued Interest, to Holders of Existing Notes validly tendered and accepted for purchase. Acceptance of the Existing Notes of either series for purchase on the Settlement Date may be subject to the application of the proration procedures described herein. Settlement will occur through the clearing systems. The Government will cancel such Existing Notes promptly thereafter.

The above times and dates are subject to the right of the Government to extend, re-open, amend or terminate either or both of the Tender Offers, in its sole discretion (subject only to applicable law). Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes



whether such intermediary would require receipt of instructions to participate in the Tender Offers before the deadlines set out above.

In the event a Tender Offer is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Government, the applicable Total Consideration or Purchase Price, as applicable, will not be paid or become payable to Holders who have validly tendered their Existing Notes in connection with such Tender Offer.

The Government will make (or cause to be made) all announcements regarding the Tender Offers by press release issued to news media in accordance with applicable law and by an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the on the website of the Bermuda Stock Exchange ([www.bsx.com](http://www.bsx.com)), which websites are not incorporated herein by reference, and on the Tender Offers website run by the Tender and Information Agent (<http://www.gbsc-usa.com/Bermuda>) (the “Offer Website”). See “The Tender Offers— Communications.”

## SUMMARY

*This summary highlights information contained elsewhere in this Offer to Purchase. It is not complete and may not contain all the information that you should consider before tendering Existing Notes. You should read the entire Offer to Purchase. Capitalized Terms not otherwise defined in this summary have the meanings assigned to them elsewhere in this Offer to Purchase.*

<b>The Purchaser .....</b>	The Government of Bermuda.
<b>The Existing Notes .....</b>	5.603% Senior Notes due 2020 and 4.138% Senior Notes due 2023 issued by the Government.
<b>Principal Amount Outstanding .....</b>	As of the date hereof, the aggregate principal amount of the outstanding Notes due 2020 is U.S.\$500,000,000 and the aggregate principal amount of the outstanding Notes due 2023 is U.S.\$475,000,000.
<b>The Tender Offers .....</b>	The Tender Offers are to purchase up to U.S.\$150,000,000 in aggregate principal amount of the Existing Notes for cash, initially intended to be allocated between the series of Existing Notes and as such amount may be increased, in each case in the sole discretion of the Government. The Tender Offers are made subject to the terms and conditions set forth in this Offer to Purchase, including the concurrent (or earlier) closing of the New Notes Offering in an amount, with pricing and on terms and conditions acceptable to the Government, and the dealer manager agreement relating to the Tender Offers not having been terminated prior to or at the time of the settlement of the Tender Offers. The Tender Offers are not conditioned upon any minimum participation of the Existing Notes. For a more detailed discussion, see “The Tender Offers.”
<b>Source of Funds .....</b>	<p>The Tender Offers are subject to a number of conditions, including that the Government concurrently (or earlier) consummate the New Notes Offering, in an amount, with pricing and on terms and conditions acceptable to the Government. Unless the Tender Offers are early terminated by the Government under the terms specified herein, the Government will apply a portion of the net proceeds of the New Notes Offering to purchase Existing Notes accepted for purchase at the applicable Total Consideration or applicable Purchase Price, as applicable, plus Accrued Interest on the Settlement Date.</p> <p>The New Notes Offering will be made solely by means of an offering memorandum relating to that offering, and this Offer to Purchase does not constitute an offer to sell or the solicitation of an order to buy the New Notes.</p>
<b>Total Consideration .....</b>	The applicable Total Consideration to be paid by the Government for each U.S.\$1,000 principal amount of each series of Existing Notes validly tendered prior to the Early Participation Deadline and accepted pursuant to the Tender Offers, which will be the amount indicated in the table on the cover of this Offer to Purchase. The Total Consideration includes, in each case, the applicable Early Tender Premium.
<b>Early Tender Premium .....</b>	The applicable Total Consideration includes an Early Tender Premium for Existing Notes accepted pursuant to the Tender Offers prior to the Early Participation Deadline. The applicable Early

	<p>Tender Premium to be paid by the Government per U.S.\$1,000 principal amount of each series of Existing Notes validly tendered prior to the Early Participation Deadline and accepted pursuant to the Tender Offers is indicated in the table on the cover of this Offer to Purchase.</p>
<b>Purchase Price .....</b>	<p>The applicable Purchase Price to be paid by the Government per U.S.\$1,000 principal amount of each series of Existing Notes tendered after the Early Participation Deadline and on or prior to the Expiration Time, and accepted pursuant to the Tender Offers, will be the amount indicated in the table on the cover of this Offer to Purchase. The applicable Purchase Price is equal to the applicable Total Consideration less the applicable Early Tender Premium.</p>
<b>Accrued Interest .....</b>	<p>In addition to the applicable Total Consideration or applicable Purchase Price, Holders whose Existing Notes are accepted for purchase by the Government will also receive accrued and unpaid interest with respect to their tendered Existing Notes from, and including, the last interest payment date for such Existing Notes to, but excluding, the Settlement Date (“Accrued Interest”). Accrued Interest on a series of Existing Notes will be payable on the Settlement Date. Accrued Interest taken together with either the applicable Total Consideration or the applicable Purchase Price for such Existing Notes, as applicable, will be rounded to the nearest cent (U.S.\$0.01).</p>
<b>Announcement of Early Tenders .....</b>	<p>The Government expects to announce the aggregate principal amount of each series of Existing Notes validly tendered prior to the Early Participation Deadline at or around 8:00 a.m., New York City time, on October 11, 2016.</p>
<b>Tender Period .....</b>	<p>Each Tender Offer will commence on September 28, 2016, and expire at 5:00 p.m., New York City time, on October 18, 2016 unless extended or earlier terminated by the Government in its sole discretion.</p>
<b>Submitting Tenders .....</b>	<p>Tenders by a Holder of the Notes due 2020 must be in principal amounts of at least U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof, and Tenders by a Holder of the Notes due 2023 must be in principal amounts of at least U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (with respect to each series of Existing Notes, “Permitted Tender Amounts”).</p> <p>You must submit all your tendered Existing Notes through the DTC, Euroclear or Clearstream, Luxembourg clearing systems.</p> <p>Failure to deliver your Existing Notes on time may result in the cancellation of your Tender and in you becoming liable for any damages resulting from that failure. See “The Tender Offers—Tender Procedures.”</p>
<b>Withdrawals .....</b>	<p>Holders of the Existing Notes will not have withdrawal rights with respect to the Tender Offers, unless required by applicable law.</p>
<b>Announcement of Accepted Tenders .....</b>	<p>The Government expects to announce the aggregate principal amount of Tenders of each series of Existing Notes that has been received (i) on or prior to the Early Participation Deadline, and (ii) after the Early Participation Deadline but on or prior to the</p>

Expiration Time, as well as the amount of Tenders of each series of Existing Notes that has been accepted and whether any proration of such Tenders has occurred, on October 19, 2016.

**Acceptance of Tenders .....**

The Government will accept valid tenders of Existing Notes of each series for purchase in such amounts as the Government shall determine (subject to the terms and conditions of the Tender Offers, including potential proration of Tenders subject to priority, the Maximum Tender Amount and the Tender Offer Caps). **Tenders that are accepted will be settled solely by the Government on the Settlement Date, subject to the terms and conditions of the Tender Offers.** The Government reserves the right, in its sole discretion, not to accept any Tenders for any reason.

**Minimum Denominations .....**

The minimum denominations of the Notes due 2020 are U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof, and the minimum denominations of the Notes due 2023 are U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (with respect to each series of Existing Notes, “Minimum Denominations”). Depending on the amount tendered and the proration factor applied, if the principal amount of Existing Notes that are unaccepted and returned to a Holder as a result of proration would result in less than the applicable Minimum Denomination being returned to such Holder we will either accept or reject all of such Holder’s validly tendered Existing Notes of the affected series. Holders who tender less than all of their Existing Notes, must continue to hold Existing Notes in their respective Minimum Denominations.

**Maximum Tender Amount, Tender Offer Caps, Priority and Proration .....**

The Government is offering to purchase up to U.S.\$150,000,000 in aggregate principal amount of the Existing Notes, as such amount may be increased in the sole discretion of the Government. The Government currently intends to allocate the Maximum Tender Amount between the series of Existing Notes, but the Government may vary the allocations in any way it deems appropriate, including allocating the full Maximum Tender Amount to just one series of Existing Notes. The principal amount of Existing Notes accepted for purchase in the Tender Offers may be limited because of the Maximum Tender Amount and the Tender Offer Caps. The Government will not accept for purchase more than the Maximum Tender Amount of Existing Notes validly tendered, or more than the applicable Tender Offer Cap for each series, even if Existing Notes in excess of such amounts are validly tendered. In addition, Tenders submitted on or prior to the Early Participation Deadline (“Preferred Tenders”) will be preferred and accepted before any Tenders submitted after the Early Participation Deadline (“Non-Preferred Tenders”). Therefore, tenders may be subject to proration.

Following the Expiration Time, the Government will announce the Tender Offer Cap applicable to each Tender Offer.

Tenders shall be subject to proration on the following basis:

- (1) If the aggregate principal amount of all Preferred Tenders of a series of Existing Notes exceeds the applicable Tender Offer Cap, then each Preferred Tender in the related Tender Offer shall be prorated and fractions will

be rounded down to the nearest U.S.\$1,000 principal amount, proportionately to the relative size of such Preferred Tender of Existing Notes to all Preferred Tenders in such Tender Offer, so that the aggregate principal amount of all Preferred Tenders accepted by the Government in a Tender Offer equals the applicable Tender Offer Cap. In such case, no Non-Preferred Tenders will be accepted.

- (2) If the aggregate principal amount of all Preferred Tenders in a Tender Offer is less than or equal to the applicable Tender Offer Cap, (i) all Preferred Tenders shall be accepted and (ii) each Non-Preferred Tender in the related Tender Offer shall be prorated and fractions will be rounded down to the nearest U.S.\$1,000 principal amount, proportionately to the relative size of such Non-Preferred Tender to all Non-Preferred Tenders in such Tender Offer, so that the aggregate principal amount of all Preferred Tenders plus Non-Preferred Tenders accepted by the Government in a Tender Offer equals the applicable Tender Offer Cap.

To the extent proration occurs in a Tender Offer, the Government will accept Existing Notes of the applicable series with appropriate adjustments to avoid purchase of the Existing Notes of such series in principal amounts other than applicable Permitted Tender Amount.

All Existing Notes not accepted as a result of proration or otherwise will be rejected and returned to Holders.

**Settlement.....**

Subject to the concurrent (or earlier) closing of the New Notes Offering and the other conditions set forth herein, the Government will purchase validly tendered and accepted Existing Notes in such amounts as previously announced by the Government.

**Failure to deliver Existing Notes on time may result in the cancellation of your Tender and in you becoming liable for any damages resulting from that failure.**

**Liquidity .....**

Following settlement of the Tender Offers, the series of Existing Notes will have reduced liquidity, which may adversely affect the trading price of such notes.

**Conditions to the Tender Offers.....**

The Government reserves the right, in its sole discretion, not to accept any Tenders for any reason. The Tender Offers are conditioned upon the concurrent (or earlier) closing of the New Notes Offering, including in an amount, with pricing and on terms and conditions acceptable to the Government and the dealer manager agreement relating to the Tender Offers not having been terminated prior to or at the time of the settlement of the Tender Offers. In addition, notwithstanding any other provisions of the Tender Offers, the Tender Offers are conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (1) makes or seeks to make illegal the purchase of Existing Notes pursuant to the Tender Offers; (2) would or might result in a delay in, or restrict, the ability of the Government to purchase the Existing Notes or issue the New

Notes; or (3) imposes or seeks to impose limitations on the ability of the Government to issue and/or price the New Notes in an amount, with pricing and on terms and conditions acceptable to the Government. Each of the foregoing conditions is for the sole benefit of the Government and may only be waived by the Government, in whole or in part, at any time and from time to time, in its discretion. Any determination by the Government concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the dealer manager agreement relating to the Tender Offers) will be final and binding upon all parties. The Government will not be obligated to consummate the purchase of the Existing Notes tendered in the Tender Offers if the dealer manager agreement shall have been terminated prior to the settlement of the Tender Offers.

**Certain Deemed Representations,  
Warranties and Undertakings .....**

If you tender pursuant to the terms of the Tender Offers, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to the Government, the Dealer Manager and the Tender and Information Agent. See “Holders’ Representations, Warranties and Undertakings.”

**Taxation .....**

Please see “Taxation” for important information regarding the possible tax consequences to Holders who offer to tender Existing Notes. You are also urged to consult your own professional advisors regarding the possible tax consequences under the laws of jurisdictions that apply to you or to the sale of your Existing Notes.

**Jurisdictions .....**

The Tender Offers are being made only in those jurisdictions where it is legal to do so. See “Jurisdictional Restrictions.”

**Risk Factors .....**

The Tender Offers involves material risks. Please see “Risk Factors” herein.

**Announcements .....**

The Government will make (or cause to be made) all announcements regarding the Tender Offers by press release issued to news media in accordance with applicable law and by an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Bermuda Stock Exchange ([www.bsx.com](http://www.bsx.com)), which websites are not incorporated herein by reference and on the Tender Offers Website run by the Tender and Information Agent (<http://www.gbsc-usa.com/Bermuda>). See “The Tender Offers— Communications.”

**Offer Website .....**

The website <http://www.gbsc-usa.com/Bermuda> operated by the Tender and Information Agent for the purpose of the Offer to Purchase.

## **INFORMATION ABOUT THE GOVERNMENT**

Discovered by Spanish navigator Juan de Bermudez in 1503, Bermuda was first settled and claimed by the British Virginia Company following a shipwreck in 1609. The representative Assembly, established in 1620, is the third oldest continuous parliament in the world. Today, Bermuda is a self-governing British Overseas Territory comprising the Bermudas or Somers Islands, an archipelago of some 150 islands in the Atlantic Ocean approximately, 570 nautical miles southeast of North Carolina. Bermuda is approximately 22 miles long, rarely more than one mile wide and has 60 miles of coastline. Its principal municipal areas are Hamilton, the capital, and the Town of St. George.

Bermuda is the most populous United Kingdom overseas territory, with an estimated population of 61,695 as of July 2016. The population density is relatively high, with over 3,000 people per square mile. Approximately 71% of the population was born in Bermuda. The official language of Bermuda is English. The majority of foreign-born residents without Bermudian status consists primarily of the employees of Bermuda's many international businesses and their dependents. Although Bermuda has a labor force with a wide range of skills, it is insufficient to meet the territory's growing needs. Therefore, the Government has taken measures to increase the number of people in the work force, including lifting term limits on work permits and proposing legislation to grant permanent residency status to certain groups of Bermuda residents.

## RISK FACTORS

In deciding whether to participate in the Tender Offers, each Holder should consider carefully, in addition to the other information contained in this document, the following:

***Limited Trading Market; Increased Volatility.*** To the extent that Existing Notes of a series are purchased by the Government pursuant to the Tender Offers, the trading markets for the Existing Notes of such series that remain outstanding will become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Existing Notes of a series not purchased may be affected adversely to the extent the amount of Existing Notes of such series purchased by the Government reduces the float of the Existing Notes of such series. On the other hand, if the Government’s purchase of the Existing Notes is viewed by the market as significant positive news due to its potential beneficial impact on the Government’s debt maturity profile, the price of the Existing Notes could rise following completion of the Tender Offers to a level greater than the applicable Total Consideration or the applicable Purchase Price. The reduced float may also make the trading price of the Existing Notes more volatile. The extent of the public market for the Existing Notes following consummation of the Tender Offers will depend upon the number of Holders that remain at such time, the interest in maintaining markets in the Existing Notes on the part of securities firms and other factors. There can be no assurance that any trading market will exist for the Existing Notes following the Tender Offers.

***Other Purchases of Existing Notes.*** Whether or not the Tender Offers are consummated, the Government may acquire, from time to time following completion or cancellation of the Tender Offers, Existing Notes other than pursuant to the Tender Offers, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Tender Offers and could be for cash or other consideration.

***Enforcement of Civil Liabilities.*** The Government is a sovereign entity. Consequently, it may be difficult for you or a trustee to obtain or enforce judgments of courts in New York or elsewhere against the Government. See “Certain Offer Matters—Jurisdiction; Enforcement of Judgments.”

***You must Take Certain Actions with Respect to Settlement of Tenders made Pursuant to the Tender Offers.*** If all or any amount of your Existing Notes are accepted for purchase pursuant to the Tender Offers, you will need to properly deliver such Existing Notes at the applicable clearing system (DTC, Euroclear or Clearstream, Luxembourg). If you hold Existing Notes through a broker, it is your responsibility to ensure that your broker is aware of the times by which such clearing systems must receive your Existing Notes. Failure to deliver your Existing Notes on time may result in the cancellation of your Tender and in your being liable for any damages resulting from that failure. See “The Tender Offers—Tender Procedures.”

***Tenders, or Portions Thereof may be Rejected due to Proration.*** Tenders may be subject to proration, on the basis described under “The Tender Offers—Tender Procedures—Acceptance of Tenders; Priority; Proration; Denominations.” If there is proration, Tenders in any Tender Offer will be accepted solely up to the applicable Tender Offer Cap. Tenders may be rejected in whole or in part as a result of proration.



## **THE TENDER OFFERS**

### **Introduction**

The Tender Offers are to purchase up to U.S.\$150,000,000 in aggregate principal amount of the Existing Notes for cash, initially intended to be allocated between the series of Existing Notes and as such amount may be increased, in each case in the sole discretion of the Government. The Government currently intends to allocate the Maximum Tender Amount between the series of Existing Notes, but the Government may vary the allocations in any way it deems appropriate, including allocating the full Maximum Tender Amount to just one series of Existing Notes. The principal amount of Existing Notes accepted for purchase in the Tender Offers may be limited because of the Maximum Tender Amount and the Tender Offer Caps. The Tender Offers are made subject to the terms and conditions set forth in this Offer to Purchase, including the concurrent (or earlier) closing of the New Notes Offering in an amount, with pricing and on terms and conditions acceptable to the Government, and the dealer manager agreement relating to the Tender Offers not having been terminated prior to or at the time of the settlement of the Tender Offers. See “—Conditions to the Tender Offers.” The Tender Offers are not conditioned upon any minimum participation of Existing Notes. The aggregate principal amount of Notes due 2020 outstanding as of the date hereof is U.S.\$500,000,000.00 and the aggregate principal amount of Notes due 2023 outstanding as of the date hereof is U.S.\$475,000,000.00.

### **Source of Funds**

The Tender Offers are subject to a number of conditions, including that the Government concurrently (or earlier) consummate the New Notes Offering, in an amount, with pricing and on terms and conditions acceptable to the Government. Unless the Tender Offers are early terminated by the Government under the terms specified herein, the Government will apply a portion of the net proceeds of the New Notes Offering to purchase Existing Notes accepted for purchase at the applicable Total Consideration or applicable Purchase Price, as applicable, plus Accrued Interest on the Settlement Date.

The New Notes Offering will be made solely by means of an offering memorandum relating to that offering, and this Offer to Purchase does not constitute an offer to sell or the solicitation of an order to buy the New Notes.

### **Total Consideration; Purchase Price; Accrued Interest**

Holders who tender on or prior to the Early Participation Deadline will be eligible to receive the applicable Total Consideration per U.S.\$1,000 aggregate principal amount of Existing Notes, as set forth on the cover of this Offer to Purchase. Holders who tender their Existing Notes after the Early Participation Deadline, but on or prior to the Expiration Time, will be eligible to receive the applicable Purchase Price per U.S.\$1,000 aggregate principal amount of Existing Notes, as set forth on the cover of this Offer to Purchase. The applicable Purchase Price is equal to the applicable Total Consideration less the applicable Early Tender Premium.

In addition to the applicable Total Consideration or the applicable Purchase Price, Holders whose Existing Notes are accepted for purchase by the Government will also receive Accrued Interest with respect to their tendered Existing Notes from, and including, the last interest payment date for such Existing Notes to, but not including, the Settlement Date. Accrued Interest will be payable on the Settlement Date. Accrued Interest on a series of Existing Notes, taken together with either the applicable Total Consideration or the applicable Purchase Price for such Existing Notes, as applicable, will be rounded to the nearest cent (U.S.\$0.01).

In the event of any dispute or controversy regarding any amount of Accrued Interest for each Existing Note accepted pursuant to the Tender Offers, the determination of the Government will be conclusive and binding, absent manifest error.

## **Announcement of Tenders**

The Government expects to announce the aggregate principal amount of each series of Existing Notes validly tendered prior to the Early Participation Deadline at or around 8:00 a.m. on October 11, 2016.

## **Announcement of Accepted Tenders**

The Government expects to announce the aggregate principal amount of Tenders of each series of Existing Notes that has been received (i) on or prior to the Early Participation Deadline, and (ii) after the Early Participation Deadline but on or prior to the Expiration Time, as well as the amount of Tenders of each series of Existing Notes that has been accepted and whether any proration of such Tenders has occurred, on October 19, 2016, or as soon as possible thereafter, to news media in accordance with applicable law and by an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Bermuda Stock Exchange ([www.bsx.com](http://www.bsx.com)), which websites are not incorporated herein by reference, and on the Offer Website.

## **No Recommendation**

NONE OF THE GOVERNMENT, THE DEALER MANAGER OR THE TENDER AND INFORMATION AGENT MAKES ANY RECOMMENDATION THAT ANY HOLDER TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF SUCH HOLDER'S EXISTING NOTES, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER EXISTING NOTES INTO EITHER OR BOTH OF THE TENDER OFFERS, AND, IF SO, THE PRINCIPAL AMOUNT OF EXISTING NOTES TO TENDER.

## **Duration of the Tender Offers; Amendments**

Each Tender Offer will commence on September 28, 2016, and expire at the Expiration Time unless extended or earlier terminated by the Government in its sole discretion.

If either or both of the Tender Offers is extended or earlier terminated, the term "Expiration Time" shall mean the time and date on which the affected Tender Offer, as so extended or earlier terminated, shall expire.

Subject to applicable law, the Government expressly reserves the right, for any reason and in its sole discretion, to:

- modify the Maximum Tender Amount or Tender Offer Cap for either or both Tender Offers;
- extend or change the Early Participation Deadline with respect to a Tender Offer or extend or change the period of time during which a Tender Offer shall remain open at any time and from time to time by giving oral or written notice of such extension or change to the Dealer Manager and the Tender and Information Agent;
- close a Tender Offer to further Tenders if Tenders at or in excess of the applicable Tender Offer Cap have been received on or prior to the Early Participation Deadline;
- increase the Total Consideration, the Early Tender Premium or the Purchase Price;
- prospectively terminate or withdraw a Tender Offer at any time; or
- at any time until the first time a Tender occurs, amend the terms of a Tender Offer in any respect or, thereafter, amend the terms of such Tender Offer in a manner the Government deems, in its sole discretion, to be advantageous or neutral to all Holders of the Existing Notes subject to such Tender Offer.

There can be no assurance that the Government will exercise its right to extend, terminate or amend the Tender Offers. Please note that the terms of any extension or an amendment of the terms or conditions of the

Tender Offers may vary from the terms of the original Tender Offers depending on such factors as prevailing interest rates and the principal amount of Existing Notes previously tendered or otherwise purchased.

Any extension, termination or amendment of the Tender Offers will be followed, as promptly as practicable, by public announcement thereof. The Government shall communicate such public announcement by issuing a press release in accordance with applicable law and by an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the website of the Bermuda Stock Exchange ([www.bsx.com](http://www.bsx.com)), which websites are not incorporated herein by reference and on the Offer Website run by the Tender and Information Agent (<http://www.gbhc-usa.com/Bermuda>). See “The Tender Offers—Communications.”

## **Tender Procedures**

### ***Procedures for submitting Tenders***

By tendering Existing Notes, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to the Government, the Dealer Manager and the Tender and Information Agent. See “Holders’ Representations, Warranties and Undertakings.”

You must submit all of your Existing Notes to be tendered at the applicable clearing system (DTC, Euroclear or Clearstream, Luxembourg). Failure to deliver your Existing Notes on time may result in the cancellation of your Tender and in you becoming liable for any damages resulting from that failure.

A defective tender of Existing Notes will not entitle the Holder thereof to the applicable Total Consideration or the applicable Purchase Price unless the relevant defect is waived by the Government. Any beneficial owner whose Existing Notes are registered in the name of a custodian, nominee or participant of DTC and who wishes to tender its Existing Notes should contact such custodian, nominee or participant promptly and instruct such custodian, nominee or participant to tender its Existing Notes on such beneficial owner’s behalf.

A separate Electronic Acceptance Instruction must be submitted on behalf of each beneficial owner.

The Tender by a Holder of Existing Notes (and subsequent acceptance of such Tender by the Government) pursuant to one of the procedures set forth below will constitute a binding agreement between such Holder and the Government in accordance with the terms and subject to the conditions set forth in this Offer to Purchase.

Each direct participant in DTC, Euroclear or Clearstream, Luxembourg, by validly tendering the Existing Notes, will be deemed to have given the authority to the relevant clearing system to provide details concerning such direct participant’s identity to the Tender and Information Agent.

The method of delivery of Existing Notes and all other required documents, including delivery through DTC and any acceptance of an Agent’s Message transmitted through ATOP or electronic acceptance transmitted through any clearing system, is at the election and risk of the person tendering Existing Notes and delivery will be deemed made only when actually received by the Tender and Information Agent.

Only registered Holders of Existing Notes are authorized to tender their Existing Notes pursuant to the Tender Offers. Accordingly, to properly tender Existing Notes or cause Existing Notes to be tendered, the following procedures must be followed:

There will be no letter of transmittal for the Tender Offers.

### ***Tenders of Existing Notes Held through DTC***

The Tender Offers are eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of Tender Offer by causing DTC to transfer their Existing Notes and indicate delivery to the Tender and Information Agent in accordance with DTC’s ATOP procedures. DTC will then send an Agent’s Message to the Tender and Information Agent.

The term “Agent’s Message” means a message transmitted by DTC, received by the Tender and Information Agent, and forming part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC participant tendering Existing Notes which are the subject of such Book-Entry Confirmation and that such DTC participant has received and agrees to be bound by the terms of

the applicable Tender Offer as set forth in this Offer to Purchase and that the Government may enforce such agreement against such participant. **Holders seeking to tender their Existing Notes prior to the Early Participation Deadline or the Expiration Time should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.** Tenders not received by the Tender and Information Agent on or prior to the Early Participation Deadline will not be eligible to receive the Early Tender Premium. Tenders not received by the Tender and Information Agent prior to the Expiration Time will be disregarded and of no effect.

The Tender and Information Agent will establish and maintain one or more accounts with respect to the Existing Notes at DTC promptly after the date of this Offer to Purchase (to the extent such arrangements have not been made previously by the Tender and Information Agent), and any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of the Existing Notes may make book-entry delivery of Existing Notes by causing DTC to transfer such Existing Notes into the Tender and Information Agent's account in accordance with DTC's procedures for such transfer. The confirmation of a book-entry transfer of Existing Notes into the Tender and Information Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC in accordance with such DTC procedures does not constitute delivery to the Tender and Information Agent.

The 5.603% Notes Due 2020 may be tendered and accepted for payment only in principal amounts equal to minimum denominations of U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof. The 4.138% Notes Due 2023 may be tendered and accepted for payment only in principal amounts equal to minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Notes must continue to hold Notes in at least the applicable Minimum Denomination.

*Tenders of Existing Notes through Euroclear or Clearstream, Luxembourg*

To tender Existing Notes with respect to Existing Notes held through Euroclear or Clearstream, Luxembourg, a Holder who is not a direct participant in Euroclear or Clearstream, Luxembourg must arrange for a direct participant to deliver its Electronic Acceptance Instruction, which includes its Note Instructions (as defined below), to Euroclear or Clearstream, Luxembourg in accordance with the deadlines specified by Euroclear or Clearstream, Luxembourg at or prior to the Early Participation Deadline or the Expiration Time in order to be eligible to receive the applicable Total Consideration or the applicable Purchase Price, respectively. Only a direct participant in Euroclear or Clearstream, Luxembourg may submit an Electronic Acceptance Instruction to Euroclear or Clearstream, Luxembourg.

Each direct participant in DTC, Euroclear or Clearstream, Luxembourg, by validly tendering the Existing Notes, will be deemed to have given the authority to the relevant clearing system to provide details concerning such direct participant's identity to the Tender and Information Agent.

The term "Note Instructions" means, with respect to a series of Existing Notes held through Euroclear or Clearstream, Luxembourg, irrevocable instructions to (i) block any attempt to transfer a Holder's Existing Notes of such series at or prior to the Settlement Date; and (ii) debit the Holder's account on the Settlement Date in respect of all of the Existing Notes of such series that have been tendered by the Holder, or in respect of such lesser portion of the Holder's Existing Notes of such series as are accepted by the Government, upon receipt of an instruction from the Tender and Information Agent, subject in each case to the automatic withdrawal of the irrevocable instruction in the event that the Tender Offer for such series of Existing Notes is terminated by the Government prior to its Expiration Time, as notified to Euroclear or Clearstream, Luxembourg by the Tender and Information Agent. Note Instructions can be delivered only by direct participants in Euroclear and Clearstream, Luxembourg.

A Holder's Electronic Acceptance Instruction, which includes its Note Instructions, must be delivered and received by Euroclear or Clearstream, Luxembourg in accordance with the procedures established by them and at or prior to the deadlines established by each of those clearing systems. **Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of Note Instructions to Euroclear or Clearstream, Luxembourg.**

Beneficial owners that hold Existing Notes through a custodian may not submit an Electronic Acceptance Instruction directly. Such Holders should contact their relevant custodians to submit an Electronic Acceptance Instruction on their behalf.

### ***Acceptance of Tenders; Priority; Proration; Denominations***

The Government will accept valid tenders of Existing Notes for purchase in such amounts as the Government shall determine (subject to the terms and conditions of the Tender Offers, including subject to priority and potential proration in respect of Tenders up to the applicable Tender Offer Caps and potential increase of the Maximum Tender Amount in the Government's sole discretion). In addition, Preferred Tenders will be accepted before Non-Preferred Tenders. **Tenders that are accepted will be settled solely by the Government on the Settlement Date, subject to the terms and conditions of the Tender Offers.** The Government reserves the right, in its sole discretion, not to accept any Tenders for any reason.

In all cases, the Government will purchase Existing Notes accepted for purchase pursuant to the Tender Offers only after timely receipt by the Tender and Information Agent of (a)(i) confirmation of satisfaction of DTC's ATOP procedures set forth above under "—Tender Procedures," or (ii) timely confirmation of the submission of valid Electronic Acceptance Instructions pursuant to the procedures of Euroclear or Clearstream, Luxembourg set forth under "Procedures for Tendering Existing Notes" and (b) any other documents required thereby.

For purposes of the Tender Offers, the Government will be deemed to have accepted validly tendered and validly delivered Existing Notes when, as and if the Government gives oral or written notice thereof to the Tender and Information Agent. Payment for Existing Notes accepted for purchase pursuant to the Tender Offers will be made by the Government depositing (or causing the deposit of) such payment with DTC, Euroclear or Clearstream, Luxembourg, as applicable, which will act as agents for the tendering Holders for the purpose of receiving the applicable Total Consideration (and Accrued Interest) or the applicable Purchase Price (and Accrued Interest), and transmitting such Total Consideration (and Accrued Interest) or Purchase Price (and Accrued Interest), to such Holders. Under no circumstances will any additional amount be paid by the Government or the Tender and Information Agent by reason of any delay in making such payment.

Tenders may be subject to proration. Tenders shall be subject to proration on the following basis:

- (1) If the aggregate principal amount of all Preferred Tenders of a series of Existing Notes exceeds the applicable Tender Offer Cap, then each Preferred Tender in the related Tender Offer shall be prorated and fractions will be rounded down to the nearest U.S.\$1,000 principal amount, proportionately to the relative size of such Preferred Tender of Existing Notes to all Preferred Tenders in such Tender Offer, so that the aggregate principal amount of all Preferred Tenders accepted by the Government in a Tender Offer equals the applicable Tender Offer Cap. In such case, no Non-Preferred Tenders will be accepted.
- (2) If the aggregate principal amount of all Preferred Tenders in a Tender Offer is less than or equal to the applicable Tender Offer Cap, (i) all Preferred Tenders shall be accepted and (ii) each Non-Preferred Tender in the related Tender Offer shall be prorated and fractions will be rounded down to the nearest U.S.\$1,000 principal amount, proportionately to the relative size of such Non-Preferred Tender to all Non-Preferred Tenders in such Tender Offer, so that the aggregate principal amount of all Preferred Tenders plus Non-Preferred Tenders accepted by the Government in a Tender Offer equals the applicable Tender Offer Cap.

To the extent proration occurs in a Tender Offer, the Government will accept Existing Notes of the applicable series with appropriate adjustments, as further described herein, to avoid purchase of the Existing Notes of such series in principal amounts other than applicable Permitted Tender Amount.

All Existing Notes not accepted as a result of proration will be rejected and returned to Holders. If any tendered Existing Notes are not accepted for purchase or payment because of an invalid tender or the occurrence or non-occurrence of certain other events set forth herein or otherwise, then such Existing Notes tendered will be credited to the account maintained at the relevant clearing system from which such Existing Notes were delivered promptly after the Expiration Time or the termination of the applicable Tender Offer.

No alternative, conditional or contingent tenders of Existing Notes will be accepted. A tendering Holder, by electronically transmitting its acceptance through ATOP or an Electronic Acceptance Instruction, as applicable, waives all rights to receive notice of acceptance of such Holder's Existing Notes for purchase.

The Government shall not be liable for payments to any Holder of Existing Notes validly tendered and accepted for purchase if such Holder fails to deliver such Existing Notes on or prior to the settlement of the Tender Offers as described herein.

Depending on the amount tendered and the proration factor applied, if the principal amount of Notes that are unaccepted and returned to a Holder as a result of proration would result in less than the applicable Minimum Denomination being returned to such Holder we will either accept or reject all of such Holder's validly tendered Notes. Holders who tender less than all of their Existing Notes, must continue to hold Existing Notes in their respective Minimum Denominations.

The Government reserves the right, in its sole discretion, not to accept any Tenders for any reason. Existing Notes may be tendered only in applicable Permitted Tender Amounts, depending on the Minimum Denominations of Existing Notes.

### **Withdrawal Rights**

Holders of Existing Notes will not have withdrawal rights with respect to the Tender Offers, unless required by applicable law.

### **Settlement; Rounding**

Subject to the concurrent (or earlier) closing of the New Notes Offering and the other conditions set forth herein, the Government will purchase validly tendered and accepted Existing Notes in such amounts as previously announced by the Government on the Settlement Date, which is expected to be October 19, 2016, subject to change without notice.

The Government will cancel Existing Notes purchased pursuant to the Tender Offers promptly following the Settlement Date.

**Failure to deliver Existing Notes on time may result in the cancellation of your Tender and in you becoming liable for any damages resulting from that failure.**

Payments for Existing Notes purchased pursuant to the Tender Offers will be made in same day funds. The amount of cash you receive will be rounded to the nearest cent (U.S.\$0.01). The determination by the Dealer Manager of any calculation or quotation made with respect to the Tender Offers shall be conclusive and binding on you, absent manifest error.

### **Conditions to the Tender Offers**

The Government reserves the right, in its sole discretion, not to accept any Tenders for any reason. The Tender Offers are conditioned upon the concurrent (or earlier) closing of the New Notes Offering, in an amount, with pricing and on terms and conditions acceptable to the Government and the dealer manager agreement relating to the Tender Offers not having been terminated prior to or at the time of the settlement of the Tender Offers. Each of the foregoing conditions is for the sole benefit of the Government and may only be waived by the Government, in whole or in part, at any time and from time to time, in its discretion. In addition, notwithstanding any other provisions of the Tender Offers, the Tender Offers are conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (1) makes or seeks to make illegal the purchase of Existing Notes pursuant to the Tender Offers; (2) would or might result in a delay in, or restrict, the ability of the Government to purchase Existing Notes or issue the New Notes; or (3) imposes or seeks to impose limitations on the ability of the Government to issue and/or price the New Notes in an amount, with pricing and on terms and conditions acceptable to the Government. Any determination by the Government concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the dealer manager agreement relating to the Tender Offers) will be final and binding upon all parties.

### **Market for the Existing Notes**

The Government will cancel the Existing Notes it acquires in the Tender Offers following completion of the Tender Offers. Accordingly, this transaction will reduce the aggregate principal amount of each series of

Existing Notes acquired in the Tender Offers that otherwise might trade in the market, which could adversely affect the liquidity and market value of the remaining Existing Notes of the affected series that the Government does not acquire.

## **Communications**

Information about the Tender Offers will be published, to the extent provided in this Offer to Purchase, by means of press releases to an international news service in accordance with applicable law.

Without limiting the manner in which such public announcement may be made, the Government shall not have any obligation to publish, advertise or otherwise communicate such public announcement other than to news media in accordance with applicable law and by an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Bermuda Stock Exchange ([www.bsx.com](http://www.bsx.com)), which websites are not incorporated herein by reference and on the Tender Offers Website run by the Tender and Information Agent (<http://www.gbsc-usa.com/Bermuda>).

Holders may obtain information about the Tender Offers by contacting the Dealer Manager or the Tender and Information Agent at the addresses and telephone numbers listed on the inside back cover of this Offer to Purchase.

## **Certain Other Matters**

Each proper acceptance of a an Existing Note will constitute your binding agreement to deliver such Existing Note at a clearing system as described in this Offer to Purchase and to settle your Tender on the Settlement Date. The acceptance of the applicable Tender Offer by you with respect to any Existing Note will constitute the agreement by you to deliver good and marketable title to such Existing Note on the Settlement Date, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

Payment for Existing Notes accepted for purchase pursuant to the Tender Offers will in all cases be made only after timely receipt by the Tender and Information Agent of (i) in the case of a tender through DTC, a timely Book-Entry Confirmation with respect to such Existing Notes, or in the case of a tender through ATOP, an Agent's Message, or (ii) in the case of a tender through Euroclear or Clearstream, Luxembourg, an Electronic Acceptance Instruction, which includes its Note Instructions. Under no circumstances will interest be paid on either the Total Consideration or the Purchase Price as a result of any delay in making such payments.

All questions as to the validity, form and eligibility (including time of receipt), any acceptance of the Tender Offers and any sale pursuant thereto will be determined by the Government, in its sole discretion, which determination shall be final and binding. The Government reserves the absolute right, in its sole discretion, to reject any and all acceptances and sales not in proper form or for which the corresponding agreement to purchase, in its opinion, would be unlawful. The Government also reserves the right to waive any defects, irregularities or conditions in acceptances and settlement with regard to any particular Existing Notes.

None of the Government, the Dealer Manager, the Tender and Information Agent or any other person will be under any duty to give notice to accepting or selling Holders of Existing Notes of any defects or irregularities in acceptances or sales, nor shall any of them incur any liability for failure to give such notice.

The Government's Total Consideration, Purchase Price and Accrued Interest determination and any other calculation or quotation made with respect to the Tender Offers shall be conclusive and binding on all Holders, absent manifest error. The Government's interpretation of the terms and conditions of the Tender Offers will be final and binding.

The Government reserves the right at any time or from time to time, following completion or cancellation of the Tender Offers, to purchase Existing Notes (including, without limitation, those tendered pursuant to the Tender Offers but not accepted), in the open market, in privately negotiated transactions, through subsequent tender offers or otherwise, in each case, on terms and subject to the conditions that may be more or less favorable to the Holders of such Existing Notes than those contemplated by the Tender Offers. The making of any such new offers and the issuance of any new invitation will depend on various factors, including interest rates prevailing at such time and the principal amount of Existing Notes, if any, retired pursuant to the Tender Offers.

## TAXATION

### General

A Tender of Existing Notes pursuant to this Offer to Purchase may be a taxable transaction under the laws applicable to a Holder of Existing Notes. You should consult your own tax advisors to determine the particular tax consequences that apply to you in respect of the sale of Existing Notes.

### Bermuda Tax Consequences Associated with the Offer to Purchase

At the date of this offer to purchase, there is no Bermuda income tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by Holders (other than Holders ordinarily resident in Bermuda) in respect of their investment in the Existing Notes.

Under Bermuda law, there are no stamp or documentary taxes, duties or similar taxes or charges payable in connection with the Offer to Purchase transaction.

### U.S. Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the participation in the Offer to Purchase by a U.S. Holder (as defined below). This summary does not address U.S. Holders who participate in the New Notes offering. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Existing Notes by particular investors (including consequences under the alternative minimum tax or the net investment income tax), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws), or any state, local, or non-U.S. tax laws. The discussion does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as dealers in securities or currencies, banks, financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, entities classified as partnerships for U.S. federal income tax purposes and the partners therein, persons holding Existing Notes as a position in a “straddle”, hedging or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, U.S. citizens living abroad, persons who have ceased to be U.S. citizens or lawful permanent residents, or persons that have a functional currency other than the U.S. dollar. This discussion assumes that you hold the Existing Notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”).

As used herein, the term “U.S. Holder” means a beneficial owner of Existing Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) 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 tax without regard to its source or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Existing Notes will depend upon the status of the partner and the activities of the partnership. U.S. Holders that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the Offer to Purchase.

This summary is based on the Code, its legislative history, existing and proposed Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. EACH U.S. HOLDER OF EXISTING NOTES IS URGED TO CONSULT ITS TAX ADVISORS REGARDING THE POTENTIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SALE OF THE EXISTING NOTES IF SUCH U.S. HOLDER TENDERS EXISTING NOTES IN THE OFFER TO PURCHASE, INCLUDING THE EXTENT TO WHICH SUCH**



**U.S. HOLDER'S INDIVIDUAL CIRCUMSTANCES MAY AFFECT THE GENERAL RESULTS OUTLINED HEREIN, AS WELL AS OTHER UNITED STATES FEDERAL TAX CONSIDERATIONS AND THE CONSEQUENCES OF THE TAX LAWS OF ANY FOREIGN, STATE OR LOCAL TAXING JURISDICTION.**

**Sales of Existing Notes**

Sales of Existing Notes pursuant to the Offer to Purchase generally will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, you will recognize capital gain or loss in an amount equal to the difference between the amount of cash you receive (other than amounts received attributable to accrued but unpaid interest, which will be taxed as foreign source ordinary income) and your adjusted tax basis in the Existing Note at the time of sale. Your adjusted tax basis in an Existing Note generally will equal the amount you paid for the Existing Note, reduced (but not below zero) by any premium you have previously amortized and increased by the amount of any market discount that you have elected to include in income currently as it accrues (as described below). Any such gain or loss generally will be long-term capital gain or loss if you have held the Existing Notes for more than one year on the date of the sale.

If you acquired the Existing Notes with market discount, any gain you realize pursuant to the sale of Existing Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while you held the Existing Notes, unless you have elected to include market discount in income currently as it accrues.

In general, market discount is the excess, if any, of the principal amount of an Existing Note over your tax basis therein at the time of the acquisition (other than an acquisition at original issuance), unless the amount of the excess is less than a specified *de minimis* amount, in which case market discount is considered to be zero.

Gain or loss recognized pursuant to the Offer to Purchase generally will be treated as U.S.-source income or loss for U.S. foreign tax credit purposes (except that, although the matter is not free from doubt, any gain treated as ordinary income pursuant to the market discount rules should generally be treated as foreign source income). Accrued interest income with respect to the Existing Notes that is treated as paid as a result of the Offer to Purchase will constitute income from sources outside the United States, and for U.S. foreign tax credit purposes such income should generally constitute "passive category income." The rules governing the U.S. foreign tax credit are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of the rules to its particular circumstances.

**Information Reporting and Backup Withholding**

You may be subject to information reporting and backup withholding unless, with respect to backup withholding, (i) you are an exempt recipient and demonstrate this fact or (ii) you provide a correct taxpayer identification number, certify as to no loss of exemption from backup withholding and otherwise comply with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from the Tender Offers will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is furnished to the IRS in a timely manner. You should consult your tax advisor about these rules, including the procedures for establishing an exemption for backup withholding.

## **JURISDICTIONAL RESTRICTIONS**

The distribution of this Offer to Purchase and related materials is restricted by law in certain jurisdictions. Persons into whose possession this Offer to Purchase come are required by the Government and the Dealer Manager to inform themselves of and to observe any of these restrictions. Each person accepting the Tender Offers shall be deemed to have represented, warranted and agreed (in respect of itself and any person for whom it is acting) that it is not a person to whom it is unlawful to make an Offer pursuant to this Offer to Purchase (including under the applicable securities laws referenced below), it has not distributed or forwarded this Offer to Purchase or any other documents or materials relating to the Tender Offers to any such person, and it has complied with all laws and regulations applicable to it for the purposes of its participation in the Tender Offers.

This Offer to Purchase does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. Neither the Government nor the Dealer Manager accepts any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

In any jurisdiction in which the Tender Offers are required to be made by a licensed broker or dealer and in which the Dealer Manager or any of its affiliates is so licensed, it shall be deemed to be made by the Dealer Manager or such affiliates.

### **United Kingdom**

The communication of this Offer to Purchase by the Dealer Manager and any other documents or materials relating to the Tender Offers is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) persons who have professional experience in matters relating to investments, being investment professionals as defined in section 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”); (2) persons who fall within Article 49 of the FPO (“high net worth companies, unincorporated associations etc.”); or (3) any other persons to whom these documents and/or materials may lawfully be communicated. Any investment or investment activity to which this Offer to Purchase relates is available only to such persons or will be engaged only with such persons and other persons should not rely on it.

### **Luxembourg**

In Luxembourg, this announcement has been prepared on the basis that the USD Notes Offering and the Tender Offer will be made pursuant to an exemption under Article 3 of the Prospectus Directive from the requirement to produce a prospectus for offers of securities.

### **Switzerland**

This Offer to Purchase does not constitute and is not intended to constitute a public offering of securities pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations. The information presented in this document does not necessarily comply with the information standards set out in the SIX Swiss Exchange listing rules.

### **Belgium**

Neither this Offer to Purchase nor any other documents or materials relating to the Tender Offers have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (“*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*”) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this Offer to Purchase nor any other documents or materials relating to the Tender Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other

than “qualified investors” as defined in Article 6 of the Belgian Law of 1 April 2007 on public takeover bids, acting on their own account. This Offer to Purchase has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this Offer to Purchase may not be used for any other purpose or disclosed to any other person in Belgium.

## **Germany**

The Tender Offers are not public offerings in the Federal Republic of Germany. The Offer may only be conducted in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz*), as amended (“German Securities Prospectus Act”), the Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, and any other applicable German law. No application will be made under German law to permit a public offer in the Federal Republic of Germany. Therefore, this Offer to Purchase or any other information circular, brochure or similar document is strictly for private use and the Tender Offers are only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. This Offer to Purchase will only be available to and any other offering material in relation to the Tender Offers are directed only at persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the German Securities Prospectus Act. Peru has not, and does not intend to, file a securities prospectus with the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“BaFin”) or obtain a notification to the BaFin from another competent authority of a Member State of the European Economic Area, with which a securities prospectus may have been filed, pursuant to Section 17 Para. 3 of the German Securities Prospectus Act.

## **Republic of Italy**

None of this Offer to Purchase or any other documents or materials relating to the Tender Offers have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (CONSOB) pursuant to Italian laws and regulations.

The Tender Offers are being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Issuers’ Regulation”), as the case may be. The Tender Offers are also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers’ Regulation.

A Holder of Existing Notes located in the Republic of Italy can tender Existing Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or the Tender Offers.

## **Bermuda**

There are no restrictions on the Tender Offers in Bermuda or to Bermudian persons, except that the Tender Offers may only be made by, and the Existing Notes may only be tendered, through persons or entities duly authorized to publicly offer securities in Bermuda.

## **Hong Kong**

With respect to persons in Hong Kong, the Tender Offers are only made to, and is only capable of acceptance by, professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made thereunder (“professional investors”). No person or entity may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Old Notes or the Offer, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong, including in circumstances which do not result in the document being a “prospectus” as defined in the Companies

(Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) other than with respect to Old Notes which are or are intended to be tendered only by persons outside Hong Kong or only by “professional investors” as defined in the SFO and any rules made thereunder.

## **Canada**

The Tender Offers are only available in Canada to persons that are accredited investors within the meaning of National Instrument 45-106 of the Canadian Securities Administrators.

## **Israel**

The Tender Offers are being made pursuant to an exception to the public offering requirements of Israeli securities law. None of the Tender Offers and this Offer to Purchase has been reviewed, qualified or approved by the Israeli Securities Authority or any other government or regulatory body. This Offer to Purchase may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been delivered by the Government. None of the Government, the Dealer Manager or the Tender and Information Agent (i) counsels or advises on the worthwhileness of tendering Existing Notes, (ii) is licensed under Israel’s Regularization of Engagement in Investment Counseling, Investment Marketing and Portfolio Management Law of 1995, or (iii) carries any insurance required of a licensee under such law. Nothing in this Offer to Purchase may be considered investment counselling or advice, as defined in such law. Each Holder of Existing Notes is encouraged to consult with its own financial advisors prior to making any investment decision in connection with the Tender Offers.

## **General**

The distribution of this Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Purchase comes are required by the Government, the Dealer Manager and the Tender and Information Agent to inform themselves about and to observe any such restrictions.

The Dealer Manager and the Tender and Information Agent (and their respective directors, employees or affiliates) make no representations or recommendations whatsoever regarding this Offer to Purchase or the Tender Offers. The Tender and Information Agent is an agent of the Government and owes no duty to any Holder of Existing Notes. None of the Government, the Dealer Manager or the Tender and Information Agent makes any recommendation as to whether or not Holders of Existing Notes should participate in the Tender Offers or refrain from taking any action in the Tender Offers with respect to any of such Existing Notes, and none of them has authorized any person to make any such recommendation.

None of this Offer to Purchase or any other documents or materials relating to the Tender Offers constitute an offer to buy or the solicitation of an offer to sell Existing Notes (and tenders of Existing Notes in the Tender Offers will not be accepted from Holders of Existing Notes) in any circumstances or jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Tender Offers to be made by a licensed broker or dealer and the Dealer Manager or any of their respective affiliates is such a licensed broker or dealer in such jurisdictions, the Tender Offers shall be deemed to be made by the Dealer Manager or their respective affiliates (as the case may be) on behalf of the Government in such jurisdiction and the Tender Offers are not made in any such jurisdiction where either the Dealer Manager or any of their respective affiliates is not licensed.

Each Holder of Existing Notes participating in the Tender Offers will be deemed to give certain representations in respect of the jurisdictions referred to above, and generally, on submission of the Existing Notes for tender in the Tender Offers. Any Tender of Existing Notes for purchase pursuant to the Tender Offers from a Holder of Existing Notes that is unable to make these representations may be rejected. Each of the Government, the Dealer Manager and the Tender and Information Agent reserves the right, in their absolute discretion, to investigate, in relation to any tender of Existing Notes for purchase pursuant to the Tender Offers, whether any such representation given by a Holder of Existing Notes is correct and, if such investigation is undertaken and as a result the Government determines (for any reason) that such representation is not correct, such Tender may be rejected.

## HOLDERS' REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

By tendering Existing Notes, each Holder of Existing Notes shall be deemed to agree with, and acknowledge, represent, warrant and undertake (on behalf of itself and of any person for whom it is acting) to the Government, the Dealer Manager and the Tender and Information Agent that, on each of the Early Participation Deadline, Expiration Time and Settlement Date, as set forth below. If any Holder of such Existing Notes or the direct participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such Holder or direct participant is not permitted to participate in the Tender Offers and, if it has taken any steps to do so, should contact the Tender and Information Agent immediately.

- (1) It has received, reviewed this Offer to Purchase and understood and accepted the terms and conditions of the Tender Offers and distribution restrictions, all as described in this Offer to Purchase.
- (2) It understands that the tender of Existing Notes pursuant to any of the procedures set forth in this document will constitute its acceptance of the terms and conditions of the Tender Offers, that only the Government will be liable for the payment of the applicable Total Consideration or Purchase Price and Accrued Interest for Existing Notes validly tendered and accepted subject to the terms and conditions of the Tender Offers.
- (3) It is assuming all the risks inherent in participating in the Tender Offers, and has undertaken all the appropriate analysis of the implications of the Tender Offers, without reliance on the Government, the Dealer Manager, the Tender and Information Agent or any of their respective directors or employees.
- (4) Upon the terms and subject to the conditions of the Tender Offers, it has submitted Tenders with respect to the principal amount of Existing Notes, subject to and effective on the acceptance for purchase by the Government in respect of such Existing Notes pursuant to the Tender Offers, it renounces all right, title and interest in and to all such Existing Notes accepted for purchase pursuant to the Tender Offers and waives and releases any rights or claims it may have against the Government with respect to any such Existing Notes or the Tender Offers.
- (5) It has full power and authority to accept the Tender Offers and tender, sell, assign and transfer the Existing Notes tendered, and that, if such Existing Notes are accepted for purchase then (i) it will deliver such Existing Notes into the DTC, Euroclear or Clearstream, Luxembourg clearing system, as applicable, by the appropriate time as specified in this Offer to Purchase; (ii) on the Settlement Date, it will deliver good and marketable title thereto, free and clear of all liens, charges, claims, interests, rights of third parties, encumbrances and restrictions of any kind and such Existing Notes will not be subject to any adverse claim or right; and (iii) it will, upon request, execute and deliver additional documents and/or do such other things deemed by the Dealer Manager or by the Government to be necessary or desirable to complete the sale, assignment and transfer of the Existing Notes tendered or to evidence such power and authority.
- (6) All authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties, undertakings and directions, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity.
- (7) It understands that acceptance for purchase of Existing Notes validly tendered by it pursuant to the Tender Offers will constitute a binding agreement between it and the Government, in accordance with and subject to the terms and conditions of the Tender Offers, that only the Government will be liable for the payment of the applicable Total Consideration or Purchase Price and Accrued Interest for Existing Notes validly tendered and accepted.

- (8) It understands that the Government may, at its sole discretion, extend, re-open, amend or waive any condition of or terminate either or both of the Tender Offers at any time, and that in the event of a termination of a Tender Offer, the relevant Existing Notes will be returned to the Holder.
- (9) None of the Government, the Dealer Manager, the trustee, the Tender and Information Agent or any of their respective directors or employees, has given it any information with respect to the Tender Offers save as expressly set out in this Offer to Purchase nor has any of them made any recommendation to it as to whether it should tender its Existing Notes pursuant to the Tender Offers, and it has made its own decision with regard to tendering its Existing Notes pursuant to the Tender Offers based on any legal, tax or financial advice it has deemed necessary to seek.
- (10) No information has been provided to it by the Government, the Dealer Manager, the Tender and Information Agent or any of their respective directors or employees, with regard to the tax consequences for Holders of Existing Notes arising from any Existing Notes purchased pursuant to the Tender Offers and the receipt of any cash payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Tender Offers and agrees that it does not and will not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against The Government, the Dealer Manager, the Tender and Information Agent, any of their respective directors or employees or any other person in respect of such taxes and payments.
- (11) It understands that validly tendered Existing Notes (or defectively offered Existing Notes with respect to which the Government has waived, or has caused to be waived, such defect) will be deemed to have been accepted by the Government if, as and when the Government gives oral or written notice thereof to the Tender and Information Agent.
- (12) It is not a person to whom it is unlawful to make a Tender Offer pursuant to this Offer to Purchase (including under the applicable securities laws contained under the heading “Jurisdictional Restrictions” in this Offer to Purchase), it has not distributed or forwarded this Offer to Purchase or any other documents or materials relating to the Tender Offers to any such person, and it has complied with all laws and regulations applicable to it for the purposes of its participation in the Tender Offers.
- (13) It shall indemnify the Government, the Dealer Manager and the Tender and Information Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, the Tender Offers (including any acceptance thereof) by any such Holder.
- (14) It agrees that Accrued Interest to be paid on the Settlement Date pursuant to the Tender Offers shall be paid on such Settlement Date and in accordance with the terms set forth in this document.
- (15) It, and any beneficial owner of the Existing Notes or any other person on whose behalf it is acting, is not located or resident in Italy or, if it is located or resident in Italy, it is, or is tendering Existing Notes through, an authorized person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations and with requirements imposed by CONSOB or any other Italian authority.
- (16) It is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Order) or to whom this Offer to Purchase may

otherwise be lawfully communicated in accordance with the Order, and it is not a retail client within the meaning of the Financial Conduct Authority rules.

- (17) It is located outside of Belgium or, if it is located in Belgium, it (a) qualifies as a qualified investor (*gekwalficeerde belegger/investisseur qualifié*) of one of the types mentioned in Article 10 of the Belgian Law of June 16, 2006 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market; and (b) act for its own investment account.
- (18) It is located outside of Hong Kong or, if it is located in Hong Kong, it is a “professional investor.”
- (19) It is located outside of Canada or, if it is located in Canada, it is an accredited investor within the meaning of National Instrument 45-106 of the Canadian Securities Administrators.

## **DEALER MANAGER AND TENDER AND INFORMATION AGENT**

The Government has entered into a dealer manager agreement with HSBC to act as Dealer Manager for the Tender Offers. Pursuant to the dealer manager agreement, the Government has:

- retained the Dealer Manager to act, directly or through affiliates, as the dealer manager in connection with the Tender Offers;
- agreed to pay the Dealer Manager for certain expenses in connection with the Tender Offers; and
- agreed to indemnify the Dealer Manager against certain liabilities and expenses in connection with the Tender Offers, including liabilities under the U.S. Securities Act of 1933, as amended.

The dealer manager agreement contains various other representations, warranties, covenants and conditions customary for agreements of this sort. GBSC will act as Tender and Information Agent in connection with the Tender Offers. The Tender and Information Agent's address is 65 Broadway, Suite 404, New York, NY 10006. The Tender and Information Agent will be paid customary fees for its services in connection with the Tender Offers.

The Dealer Manager and its affiliates have provided and may continue to provide certain investment banking services to the Government in the ordinary course for which they have received and may receive compensation that is customary for services of such nature.

The Dealer Manager and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Government. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Government, including the Existing Notes, the New Notes or other debt securities or related derivatives of the Government. The Dealer Manager or its affiliates may hold long or short positions and may trade such securities for their own accounts or for the accounts of their customers at any given time, and the Dealer Manager or such affiliates may participate in the Tender Offers by submitting offers on their own behalf or by submitting offers on behalf of clients. The Dealer Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with the Tender Offers, the Government may solicit, or cause to be solicited, tenders by use of postal services, personally or by telephone, electronic mail, facsimile, telegram or other similar methods.

The Dealer Manager has agreed to pay for certain expenses in connection with the Tender Offers.

None of the Dealer Manager, the Tender and Information Agent, the clearing systems or any of their respective directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Tender Offers or the Government contained herein or for any failure by the Government to disclose events that may have occurred and may affect the significance or accuracy of such information.



**PRINCIPAL ADMINISTRATIVE OFFICE OF THE OFFEROR**  
**THE GOVERNMENT OF BERMUDA**

Ministry of Finance  
30 Parliament Street  
Hamilton HM 12, Bermuda

**DEALER MANAGER**

**HSBC Securities (USA) Inc.**  
452 Fifth Avenue  
New York, New York 10018  
United States of America  
Attn: Global Liability Management Group

Collect: (212) 525 5552  
Toll-Free: (888) HSBC 4LM

**TENDER AND INFORMATION AGENT**  
**Global Bondholder Services Corporation**

65 Broadway, Suite 404  
New York, New York 10006  
United States

Banks and Brokers call: (212) 430-3774  
Toll-Free: (866) 470-4200  
Email: [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)  
By facsimile: (for Eligible Institutions only) (212) 430-3775  
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