

On May 6, 2015, the Company repurchased 4,053,537 shares from Exor S.A. at a repurchase price of \$40.546 per share, for an aggregate purchase price of \$164.4 million. The repurchase was executed under the 2014 share repurchase program. We did not repurchase any shares during the three months ended December 31, 2015, but restarted the repurchase program in 2016.

Shares repurchased by the company and not designated for cancellation are classified as “Treasury shares, at cost” on the consolidated balance sheets. The company will issue shares out of treasury principally related to the Company’s employee benefit plans. Shares repurchased and designated for cancellation are constructively retired and recorded as a share cancellation.

### ***Long-Term Debt***

In July 2006, Allied World Bermuda issued \$500 million aggregate principal amount of 7.50% senior notes due August 1, 2016, with interest payable August 1 and February 1 each year. Allied World Bermuda can redeem the senior notes prior to maturity, subject to payment of a “make-whole” premium; however, Allied World Bermuda currently has no intention of redeeming the notes.

In November 2010, Allied World Bermuda issued \$300 million aggregate principal amount of 5.50% senior notes due November 1, 2020, with interest payable May 15 and November 15 each year. Allied World Bermuda can redeem the senior notes prior to maturity, subject to payment of a “make-whole” premium; however, Allied World Bermuda currently has no intention of redeeming the notes.

In October 2015, Allied World Bermuda issued \$500 million aggregate principal amount of 4.35% senior notes due October 29, 2025, with interest payable April 29th and October 29th each year, commencing April 29, 2016. We intend that the proceeds from these senior notes will be used to refinance the 2006 Senior Notes due to mature in August 2016. Allied World Bermuda can redeem the senior notes prior to maturity, subject to payment of a “make-whole” premium; however, Allied World Bermuda currently has no intention of redeeming the notes.

The senior notes issued in 2006, 2010 and 2015 have been unconditionally and irrevocably guaranteed for the payment of the principal and interest by Holdings.

Allied World Assurance Company, AG entered into a 20-year mortgage commitment with a Swiss bank for the construction of a company-used office building in Zug, Switzerland. The total proceeds received in 2014 under the mortgage are \$14.1 million (CHF 14.0 million) with a fixed annual interest rate of 3.2% payable quarterly. An additional \$4.0 million (CHF 4.0 million) of proceeds from the mortgage was received in April 2015. The mortgage payments will be \$0.3 million (CHF 0.3 million) per year, plus accrued interest, for the first 19 years with the remaining balance payable at the end of the mortgage.

### ***Credit Facility***

In the normal course of our operations, we enter into agreements with financial institutions to obtain secured and unsecured credit facilities.

On June 7, 2012, Allied World Bermuda amended its existing secured credit facility. The amended \$450 million four-year secured credit facility (the “Amended Secured Credit Facility”) is with a syndication of lenders and is primarily for the issuance of standby letters of credit to support obligations in connection with the insurance and reinsurance business of Allied World Bermuda and its subsidiaries. The facility may also be used for revolving loans for general corporate and working capital purposes, up to a maximum of \$150 million. Allied World Bermuda may request that existing lenders under the Amended Secured Credit Facility make additional commitments from time to time, up to \$150 million, subject to approval by the lenders.

On November 12, 2014, Allied World Bermuda gave irrevocable notice to the administrative agent under the Amended Secured Credit Facility to reduce the aggregate commitment from \$450 million to \$150 million. All other material items of the Amended Secured Credit Facility remain unchanged. The Amended Secured Credit Facility contains representations, warranties and covenants customary for similar bank loan facilities, including certain