

Athene MYG® MVA Annuity Certificate of Disclosure and Acknowledgement



Flexible Premium Deferred Annuity

Contract forms: MYG (09/15) or ICC16 MYG (09/15)

Athene Annuity and Life Company

Mailing Address: PO Box 1555, Des Moines, IA 50306-1555

Overnight Address: 7700 Mills Civic Parkway, West Des Moines, IA 50266-3862

Customer Contact Center Tel: 888-266-8489 Fax: 866-709-3922

Thank you for your interest in Athene Annuity and Life Company (the "Company"). It is important that you understand the benefits, features, and limitations of this annuity before making your purchasing decision. Please read the following information and sign the last page of this disclosure document to acknowledge your understanding of the annuity contract ("Contract") for which you are applying.

What is the Athene MYG annuity? It is a Flexible Premium Deferred Annuity which is primarily intended for customers seeking a long-term retirement savings vehicle.

Your fixed deferred annuity is an insurance product and not a security or any type of investment contract. This annuity is not a bank or credit union deposit, obligation, or guarantee, nor is it FDIC or NCUA/NCUSIF insured. This annuity is not insured by any federal government agency. The guarantees provided by annuities are subject to the financial strength and claims paying ability of the Company.

If this annuity is being purchased to replace an existing life insurance policy or annuity contract, you should compare the two products carefully. You should consider any withdrawal charges and/or market value adjustments that may be incurred on the surrender of the existing policy or contract.

What if I decide I do not want my annuity Contract after it is delivered? The Contract may be returned within the free look period for an unconditional refund of the amount paid for the Contract. The actual free look period for your Contract is stated on the cover page of your Contract.

How will interest be credited to my Contract?

Initial Premium. The Initial Premium will be credited to the Multi-Year Fixed Strategy. On this disclosure form, you will elect a Term Period of three, five, or seven years. The Multi-Year Fixed Strategy annual interest rate is guaranteed for the Term Period you elect and will never be less than an annual interest rate of 0.25%. Interest is credited daily.

At the end of its Term Period, the Multi-Year Fixed Strategy Value will be transferred to the 1-Year Fixed Strategy. The 1-Year Fixed Strategy Interest Rate can change each Contract Year and will never be less than an annual interest rate of 0.25%. At the end of the Multi-Year Fixed Strategy Term, Withdrawal Charges will not apply to any partial withdrawal or total surrender ("Withdrawal").

Additional Premium. Any premiums received after the Initial Premium are considered Additional Premium and will be credited to the 1-Year Fixed Strategy on the date it is received. The interest rate on Additional Premium can change each Contract Year and will never be less than an annual interest rate of 0.25%.

Do I have access to the value of my Contract before the Annuity Date? Yes, but any Contract values assessed during the Withdrawal Charge Period may also be subject to a Withdrawal Charge and Market Value Adjustment. Unless you request otherwise in writing, Withdrawals from the Contract will be deducted on a pro-rata basis from the two strategies.

Withdrawal Charges and Market Value Adjustments will not apply to any Free Withdrawals, required minimum distributions, or any payments received under the Confinement and Terminal Illness Waivers.

- **Free Withdrawals.** In the first Contract Year, 10% of the Accumulated Value as of the Contract Date is available, (this is known as the Free Withdrawal amount). After the first Contract Year, the Free Withdrawal amount is equal to 10% of the Accumulated Value as of the previous Contract Anniversary. If you withdraw less than the Free Withdrawal amount in any Contract Year, your Free Withdrawal amount in future Contract Years will not be increased.
- **Required minimum distribution.** If you purchase this annuity with "tax-qualified" money (like an IRA), tax law and IRS rules may require you to take "required minimum distributions" from your Contract each year. These amounts will be considered part of, and not in addition to, the Free Withdrawal amount.



- **Confinement Waiver.** After the first Contract Year (at or after Contract issue in CT and TX), you may request a payment of up to 100% of the Accumulated Value, if the Annuitant is confined to a Qualified Care Facility for 60 consecutive days. To qualify, confinement in a Qualified Care Facility (see Definitions section for a complete definition of the Qualified Care Facility) must begin at least one year after the Contract Date¹.
- **Terminal Illness Waiver.** After the first Contract Year (at or after the Contract issue in CT, MD, and TX), you may request a payment up to 100% of the Accumulated Value, if the Annuitant is diagnosed with a terminal illness that is expected to result in death within one year. To qualify, the initial diagnosis of terminal illness must be made at least one year after the Contract Date².

What happens on the Contract's Annuity Date (when my annuity matures)? On the Annuity Date, you will receive the entire value of your Contract in the form of annuity payments. Once the payout option is selected, your payments are guaranteed and can never be changed. You should review the available payout options with your tax advisor to select the most appropriate one based on your financial situation. If you do not select a payout option, the payout option will default to the contractually selected option, depending on whether you have a single Annuitant or Joint Annuitants. Under no circumstances will you be assessed a Withdrawal Charge or Market Value Adjustment on or after the Annuity Date.

What if I decide to surrender (cancel) my Contract? The Company will pay you the Contract's Cash Surrender Value. The Cash Surrender Value is equal to the greater of: 1) The Accumulated Value less any applicable Withdrawal Charges, plus/minus any applicable Market Value Adjustments 2) The Minimum Guaranteed Contract Value.

What is a Withdrawal Charge? It is the charge you incur if a withdrawal exceeds the Free Withdrawal amount during the Withdrawal Charge period and is applied at the time of the surrender or withdrawal. In part, Withdrawal Charges allow the company to invest your money on a long-term basis and generally credit higher yields than possible with a similar annuity of shorter term. Any amount withdrawn above the Free Withdrawal amount will be multiplied by the applicable percentages below, which determines the amount of the charge.

Withdrawal Charge Rate Schedule

3 Year Term	Contract Year	1	2	3	4+				
	Percentage	8%	8%	7%	0%				
5 Year Term	Contract Year	1	2	3	4	5	6+		
	Percentage	8%	7%	6%	5%	4%	0%		
7 Year Term	Contract Year	1	2	3	4	5	6	7	8+
	Percentage	9%	8%	7%	6%	5%	4%	3%	0%

What is a Market Value Adjustment? A Market Value Adjustment (MVA) is an adjustment made to your Contract at the time of a surrender or Withdrawal, based on the changes in interest rates since you purchased your annuity. Interest rate changes are measured by the 10-year Point on the A Rated US Bloomberg Fair Value Curve.

The MVA may increase or decrease the amount of the Withdrawal or Cash Surrender Value of your Contract depending on the change in interest rates. If interest rates have increased, stayed the same, or decreased by less than 0.25%³, the MVA will be negative. If interest rates have decreased by more than 0.25%, the MVA will be positive.

A positive MVA will increase your withdrawal amount or Cash Surrender Value. A negative MVA will decrease your withdrawal amount or Cash Surrender Value. In calculating the MVA applicable to any surrender or a Withdrawal in excess of the Free Withdrawal amount, we will multiply the Withdrawal amount that is subject to the MVA by the applicable Market Value Adjustment Factor.

Are there any tax consequences if I take Withdrawals from my annuity? Income tax on interest credited to an annuity is deferred until withdrawals are taken. When you surrender or take a Withdrawal from your Contract, you may be subject to federal and state income tax on a portion or the entire amount withdrawn. In addition to income tax, you may be subject to a 10% federal penalty tax if you surrender or take Withdrawals from your annuity before age 59 ½. When annuity payments are elected, a portion of each payment will be taxable, and a portion will be treated as a non-taxable return of the cost basis. Distributions from a qualified annuity (e.g. IRA, 401(k), etc.) may also be taxable. Under current tax law, the Internal Revenue Code already provides tax deferral to qualified money, so there is no additional tax benefit obtained by funding a qualified

¹ Confinement Waiver available after issue for annuities issued in AK, CT, HI, MN, MO, NJ, OR, PA, TX and WA.

² The initial diagnosis must occur after the Contract Date in AK, CT, HI, MD, MN, MO, OR, PA, TX, and WA.

³ The Market Value Offset is equal to 0.00% in AK, HI, IN, MN, MO, NJ, OR, PA, WA. Not applicable in CT.



contract, such as an IRA, with an annuity. Tax-deferral may not be available if the owner of the annuity is not a natural person, such as a corporation or certain types of trusts. You should consult with a tax advisor or attorney regarding the applicability of this information to your own situation. Neither the Company nor its agents or representatives may give tax or legal advice.

What is the Death Benefit? The Company requires the Owner and Annuitant to be the same, unless the Owner is a non-natural person, like a trust. If the Annuitant dies before the date on which annuity payments begin, the Company will pay a Death Benefit to the named Beneficiary. The Death Benefit will be the greater of the Accumulated Value or the Minimum Guaranteed Contract Value and is not subject to a Withdrawal Charge or Market Value Adjustment, if applicable. If the sole Beneficiary is the Annuitant's surviving spouse, the surviving spouse may elect to continue the Contract as the sole Owner in lieu of receiving the death benefit. A spousal continuation may only occur once.

If death occurs after the Annuity Date and before the entire amount of the Contract has been distributed, payments will be consistent with the Settlement Option selected. Taxes may apply.

How is the insurance producer compensated? The insurance producer earns a commission from the Company for each Contract sold. The commission will be paid by the Company and will not be deducted from the premium paid for the Contract. Insurance producers may receive additional compensation from the Company as a reward for achieving certain sales volume levels. In addition to commissions, the Company may provide for education, training or other services at no cost to the insurance producer. Commissions and other compensation items impact contract pricing (including interest rates) and may place limitations on access to your funds (such as Withdrawal Charges.)

Definitions:

Accumulated Value. The Accumulated Value is equal to the sum of the Strategy Values. Simply put, it is equal to your Premium plus any Interest Credits received, less any Withdrawals.

Annuitant. The Annuitant is the natural person named on the application and is the person whose life determines the annuity payments made at the Annuity Date.

Multi-Year Fixed Strategy Value. Equal to your Initial Premium, plus the amount of Interest Credits earned, less any amount transferred to the 1-Year Fixed Strategy, less Withdrawals from the strategy.

1-Year Fixed Strategy Value. Equal to any Additional Premium, plus any amount transferred from the Multi-Year Fixed Strategy, plus the amount of Interest Credits credited to this strategy, less any Withdrawals from the Strategy.

Minimum Guaranteed Contract Value. Equal to the sum of each Strategy Minimum Guaranteed Strategy Value, which is defined in your Contract and is a minimum amount you are guaranteed to receive.

Qualified Care Facility. A Convalescent Care Facility, Hospice Facility or Hospital.

Withdrawal. Unless otherwise specified, Withdrawal means a withdrawal of any type taken under your Contract, including a surrender of your Contract.



TERMS OF YOUR ANNUITY CONTRACT

- **Minimum Annual Interest Rate:** For the Multi-Year Fixed Strategy, the interest rate is set at issue and cannot change during the term. For the 1-Year Fixed Strategy, the interest rate can change each year and is guaranteed never to be less than 0.25%.
- **Withdrawal Charge:** Your annuity is subject to a Withdrawal (or "surrender") Charge during the period in the Withdrawal Charge Rate Schedule. A Withdrawal Charge is the cost you incur on an amount surrendered or withdrawn that exceeds the Free Withdrawal amount available under your annuity Contract. The Withdrawal Charge is described in your annuity Contract and summarized above under the heading "What if I decide to surrender (cancel) my Contract?" The Withdrawal Charge is applied at the time of the surrender or withdrawal and is calculated by multiplying the applicable percentage shown in the table in the Withdrawal Charge section by the amount withdrawn in excess of the Free Withdrawal amount.
- **Market Value Adjustment:** Your annuity has a Market Value Adjustment (MVA). During the Withdrawal Charge Period, if interest rates have increased, stayed the same, or decreased by less than 0.25%, the MVA will be negative and will reduce your Cash Surrender Value. If interest rates have decreased by more than 0.25%, the MVA will be positive.

You must make an election for the Term Period of the Multi-Year Fixed Strategy (Withdrawal Charge Period).

Multi-Year Fixed Strategy Term

3-Year _____
5-Year _____
7-Year _____

Applicant Acknowledgement

By signing below, I acknowledge that I have read, or have been read, this disclosure form and understand its contents. I have also received and reviewed the information contained in the Athene MYG brochure and the Buyer's Guide. I understand that I have applied for a Flexibe Premium Deferred Annuity. In doing so, I have discussed my financial status, tax status, current insurance products and investments (including my financial objectives) with my agent and believe this annuity will assist me in meeting my current financial needs and objectives. I also confirm I am not currently confined.

This annuity contains a Market Value Adjustment which may increase or decrease values available under the policy.

Owner(s)/Applicant(s) Name (Please print) _____

Owner(s)/Applicant(s) Signature(s) _____

Phone # _____ Date _____

Joint Owner(s)/Applicant(s) Name (Please print) _____

Joint Owner(s)/Applicant(s) Signature(s) _____

Phone # _____ Date _____

Producer Confirmation

By signing below, I acknowledge that I have reviewed this disclosure form and the Athene MYG brochure with the applicant. I certify that a copy of this disclosure form, the Athene MYG brochure, the Buyer's Guide, and the Certificate of Disclosure Rate Insert, as well as any advertisements, all of which were approved by the Company, used in connection with the sale of this annuity, have been provided to the applicant. I have not made any statements that differ from what is stated in this disclosure form or the brochure and no promises or assurances have been made about the future value of any non-guaranteed elements of the annuity.

Producer Name (Please print) _____ Producer Number _____

Producer Signature _____ Date _____

