



## Credit Suisse AG

### Credit Suisse International

#### Trigger Redeemable and Phoenix Securities Base Prospectus

##### Pursuant to the Structured Products Programme for the issuance of Notes, Certificates and Warrants

#### **This Base Prospectus**

This document is a base prospectus (the "**Base Prospectus**") prepared for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). It is valid for one year and may be supplemented from time to time under the terms of the Prospectus Directive. It should be read together with (i) any supplements to it from time to time, (ii) any other documents incorporated by reference into it (see "Documents Incorporated by Reference" below) and (iii) in relation to any particular Securities, the "Final Terms" document relating to those Securities.

#### **The Programme**

This Base Prospectus is one of a number of base prospectuses and other offering documents under the Structured Products Programme for the issuance of Notes, Certificates and Warrants (the "**Programme**") of Credit Suisse AG and Credit Suisse International.

#### **The Issuers**

Securities under this Base Prospectus will be issued by either Credit Suisse AG ("**CS**"), acting through its London Branch, Nassau Branch or Singapore Branch, or Credit Suisse International ("**CSI**") (each, an "**Issuer**" and, together, the "**Issuers**"). This Base Prospectus contains information relating to the business affairs and financial condition of the Issuers.

#### **The Securities**

This Base Prospectus relates to securities (the "**Securities**") which:

- will be in the form of notes, certificates or warrants;
- may have any maturity;
- will either bear periodic fixed rate or floating rate interest or interest that is dependent on the performance of one or more underlying assets, or be zero coupon notes, which do not bear interest; and
- upon maturity, will either pay a fixed percentage of the nominal amount, or pay a redemption amount or settlement amount, or deliver a specified number of shares, in each case that is dependent on the performance of one or more underlying assets.

In addition, the Securities may provide for early redemption or settlement upon the occurrence of a specified trigger event or at the option of the Issuer.

The terms and conditions of any particular issuance of Securities will comprise:

- in the case of:
  - (a) notes, the "General Terms and Conditions of Notes" at pages 81 – 98 of this Base Prospectus, together with any "Additional Provisions relating to Notes" beginning at page 99 of this Base Prospectus which are specified to be applicable in the relevant Final Terms; or

- (b) certificates, the "General Terms and Conditions of Certificates" at pages 105 – 120 of this Base Prospectus, together with any "Additional Provisions relating to Certificates" beginning at page 121 of this Base Prospectus which are specified to be applicable in the relevant Final Terms; or
  - (c) warrants, the "General Terms and Conditions of Warrants" at pages 127 – 137 of this Base Prospectus, together with any "Additional Provisions relating to Warrants" beginning at page 138 of this Base Prospectus which are specified to be applicable in the relevant Final Terms;
- the economic or "payout" terms of the Securities set forth in the "Product Conditions" at pages 148 – 172 of this Base Prospectus which are specified to be applicable in the relevant Final Terms;
  - where the Securities are linked to one or more underlying assets, the terms and conditions relating to such underlying asset(s) set out in the "Asset Terms" at pages 173 – 292 of this Base Prospectus which are specified to be applicable in the Final Terms; and
  - the issue specific details relating to such Securities as set forth in a separate "Final Terms" document.

### **Final Terms**

A separate "Final Terms" document will be prepared in respect of each issuance of Securities. In relation to any particular Securities, you should read this Base Prospectus (including the documents which are incorporated by reference) together with the relevant Final Terms.

### **Types of underlying assets**

The economic or "payout" terms of the Securities may be linked to movements in one or more of the following types of underlying assets (each, an **"Underlying Asset"**):

- an equity share;
- an equity index;
- a commodity or a commodity futures contract;
- a commodity index;
- an exchange-traded fund;
- a currency exchange rate;
- a currency exchange rate index;
- an inflation index;
- an interest rate index; or
- a cash index.

The interest payable under certain Securities issued under this Base Prospectus may also be calculated by reference to a fixed rate of interest or a reference rate for determining floating rate interest.

### **Risk Factors**

**Investing in the Securities involves certain risks, including that you may lose some or up to all of your investment in certain circumstances.**

Before purchasing Securities, you should consider, in particular, "Risk Factors" at pages 35 – 58 of this Base Prospectus.

10 July 2013

## TABLE OF CONTENTS

	Page
IMPORTANT NOTICES .....	5
SUMMARY .....	11
RISK FACTORS .....	35
1. General considerations .....	35
2. Risks associated with the creditworthiness of the relevant Issuer .....	36
3. Risks relating to Securities generally .....	36
4. Risks associated with certain types of Securities .....	39
5. Risks associated with Securities that are linked to Underlying Asset(s).....	42
6. Risks associated with Securities that are linked to one or more particular types of Underlying Assets .....	47
7. Risks associated with conflicts of interest between the relevant Issuer and holders of Securities.....	56
DOCUMENTS INCORPORATED BY REFERENCE .....	59
GENERAL DESCRIPTION OF THE PROGRAMME .....	76
OVERVIEW OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM .....	80
TERMS AND CONDITIONS OF THE SECURITIES.....	81
GENERAL TERMS AND CONDITIONS OF NOTES.....	81
1. Form, Denomination and Title.....	82
2. Transfers of Registered Securities.....	83
3. Status .....	84
4. Interest and Premium.....	84
5. Redemption, Purchase and Options .....	90
6. Payments .....	92
7. Prescription .....	93
8. Events of Default.....	93
9. Meetings of Securityholders.....	93
10. Modification .....	94
11. Substitution of the Issuer.....	94
12. Taxation .....	95
13. Further Issues .....	95
14. Notices .....	95
15. Replacement of Certificates.....	96
16. Calculations and Determinations .....	96
17. Third Parties .....	97
18. Miscellaneous Definitions.....	97
19. Governing Law and Jurisdiction.....	98
ADDITIONAL PROVISIONS RELATING TO NOTES.....	99
PROVISIONS RELATING TO NOTES IN EUROCLEAR FINLAND.....	99
PROVISIONS RELATING TO NOTES IN EUROCLEAR SWEDEN .....	101
PROVISIONS RELATING TO NOTES IN VPS.....	103
GENERAL TERMS AND CONDITIONS OF CERTIFICATES .....	105
1. Form, Title and Transfer.....	106
2. Status .....	107
3. Redemption and Payment .....	107
4. Interest and Premium.....	108
5. Illegality .....	114
6. Purchases .....	114
7. Appointment of Agents.....	114
8. Further Issues .....	115
9. Notices .....	115
10. Events of Default.....	115
11. Calculations and Determinations .....	116
12. Taxation .....	116
13. Meetings of Securityholders.....	117
14. Modification .....	117
15. Substitution of the Issuer.....	117

16.	Third Parties .....	118
17.	Miscellaneous Definitions.....	118
18.	Governing Law and Jurisdiction .....	120
	ADDITIONAL PROVISIONS RELATING TO CERTIFICATES .....	121
	PROVISIONS RELATING TO CERTIFICATES IN EUROCLEAR FINLAND .....	121
	PROVISIONS RELATING TO CERTIFICATES IN EUROCLEAR SWEDEN.....	123
	PROVISIONS RELATING TO CERTIFICATES IN VPS .....	125
	GENERAL TERMS AND CONDITIONS OF WARRANTS.....	127
1.	Form, Title and Transfer.....	128
2.	Status .....	129
3.	Exercise Rights .....	129
4.	Exercise Procedure.....	130
5.	Payments .....	130
6.	Illegality .....	131
7.	Purchases .....	131
8.	Appointment of Agents.....	131
9.	Further Issues .....	131
10.	Notices .....	132
11.	Events of Default.....	132
12.	Calculations and Determinations .....	133
13.	Taxation .....	133
14.	Meetings of Securityholders.....	133
15.	Modification .....	134
16.	Substitution of the Issuer.....	134
17.	Third Parties .....	135
18.	Miscellaneous Definitions.....	135
19.	Governing Law and Jurisdiction .....	137
	ADDITIONAL PROVISIONS RELATING TO WARRANTS .....	138
	PROVISIONS RELATING TO WARRANTS IN EUROCLEAR FINLAND .....	138
	PROVISIONS RELATING TO WARRANTS IN EUROCLEAR SWEDEN .....	140
	PROVISIONS RELATING TO WARRANTS IN VPS .....	142
	ADDITIONAL PROVISIONS FOR ITALIAN SECURITIES .....	144
	PRODUCT CONDITIONS .....	148
	ASSET TERMS .....	173
	EQUITY-LINKED SECURITIES .....	173
	EQUITY INDEX-LINKED SECURITIES .....	191
	COMMODITY-LINKED SECURITIES .....	209
	COMMODITY INDEX-LINKED SECURITIES .....	231
	ETF-LINKED SECURITIES .....	238
	FX-LINKED SECURITIES .....	258
	FX INDEX-LINKED SECURITIES.....	266
	INFLATION INDEX-LINKED SECURITIES.....	277
	INTEREST RATE INDEX-LINKED SECURITIES.....	281
	CASH INDEX-LINKED SECURITIES .....	291
	FORM OF FINAL TERMS .....	293
	CLEARING ARRANGEMENTS.....	335
	THE UNDERLYING ASSETS.....	337
	CREDIT SUISSE AG .....	338
	CREDIT SUISSE INTERNATIONAL .....	340
	TAXATION.....	345
	OFFERS .....	381
	SELLING RESTRICTIONS.....	382
	GENERAL INFORMATION .....	388
	INDEX OF DEFINED TERMS .....	390

## IMPORTANT NOTICES

Each Issuer may issue Securities on the terms set out in this Base Prospectus and in the relevant Final Terms.

Where the Issuer is CS, the relevant Final Terms will specify whether CS is issuing the Securities through its London Branch, its Nassau Branch or its Singapore Branch. Investors should be aware that certain tax and regulatory consequences may follow from issuing Securities through a particular branch, including whether payments on the Securities are subject to withholding tax: see the section headed "Taxation" below. A branch located in a particular jurisdiction will also be subject to certain regulatory requirements and rules, breach of which may result in regulatory sanction and, possibly, investor claims. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity and that, in respect of any Securities issued by CS, obligations under such Securities are those of CS only, and investors' claims under such Securities are against CS only, notwithstanding the branch through which it will have issued such Securities.

Credit Suisse AG, Singapore Branch is licensed as a wholesale bank under the Banking Act, Chapter 19 of Singapore and is subject to restrictions on the acceptance of deposits in Singapore dollars. The Securities do not constitute or evidence a debt repayable by Credit Suisse AG, Singapore Branch on demand to the Securityholders and the value of the Securities, if sold on the secondary market, is subject to market conditions prevailing at the time of the sale. Please refer to the section headed "Terms and Conditions of the Securities" together with the relevant Final Terms for the terms and conditions under which the Securityholders may recover amounts payable or deliverable to them on the Securities from the Issuer.

### **Approval and passporting for the purposes of the Prospectus Directive**

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as the Luxembourg competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the "Luxembourg Prospectus Law").

This Base Prospectus constitutes two base prospectuses for the purposes of Article 5.4 of the Prospectus Directive: (a) a base prospectus relating to Securities to be issued by CS under the Programme, and (b) a base prospectus relating to Securities to be issued by CSi under the Programme.

Each Issuer has requested the CSSF to provide the competent authorities for the purposes of the Prospectus Directive in Belgium, Finland, France, Hungary, Ireland, Italy, The Netherlands, Norway, Portugal, Sweden and the United Kingdom with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF gives no undertaking as to, and assumes no responsibility for, the economic and financial characteristics of the Securities to be issued hereunder or the quality and solvency of each Issuer.

This Base Prospectus has not been and will not be registered with the Monetary Authority of Singapore.

### **Listing and admission to trading**

Securities issued by each Issuer may (a) be listed and admitted to trading on a regulated market(s) for the purposes of Directive 2004/39/EC on Markets in Financial Instruments, (b) be listed on a market not regulated for such purpose, or (c) not be listed on any market, in each case as shall be specified in the relevant Final Terms. In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the

Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) for the period of 12 months from the date of this Base Prospectus.

### **No Investment Advice**

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. The relevant Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction. The purchase of Securities involves substantial risks and an investment in Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) fully evaluate the risks and merits of such an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. Therefore, before making an investment decision, prospective investors of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and any documents incorporated by reference herein. This Base Prospectus cannot disclose whether the Securities are a suitable investment in relation to any investor's particular circumstances; therefore investors may wish to consult their own financial, tax, legal or other advisers as they consider appropriate and carefully review and consider such an investment decision in the light of the information set forth in this Base Prospectus.

### **Potential for Discretionary Determinations by the Issuer under the Securities**

Under the terms and conditions of the Securities, following the occurrence of certain events outside of its control, the Issuer may determine in its discretion to take one of the actions available to it in order to deal with the impact of such event on the Securities or the Issuer or both. **It is possible that any such discretionary determination by the Issuer could have a material adverse impact on the value of the Securities.**

There are two key broad types of external events which could trigger a discretionary determination to be made by the Issuer: (a) external events affecting the Underlying Asset(s) and (b) external events affecting the Issuer's hedging arrangements. However, investors should note that, under the terms and conditions of the Securities, there are other types of events which might trigger a discretionary determination by the Issuer. For example, if the Issuer's obligations under the Securities or its related hedging arrangements become or will become illegal, the Issuer may adjust or early redeem the Securities.

- (a) **External events which affect the Underlying Asset(s):** Where Securities are linked to one or more Underlying Assets, the fundamental investment objective of the Securities is to allow an investor to gain an economic exposure to such Underlying Asset(s). If an Underlying Asset is materially impacted by an unexpected event – for example, a company merges and the original stock that formed an Underlying Asset is restructured or changed, or the rules of an index that is an Underlying Asset are materially modified – then it may not be possible to achieve the investment objective of the Securities based on the original terms and conditions of the Securities. In that case, the Issuer may need to (i) adjust the terms and conditions of the Securities to preserve the original economic terms and rationale, or (ii) (if there is an applicable option to do so under the terms and conditions for the particular Securities) substitute the Underlying Asset with another underlying asset, or (iii) redeem the Securities early. There are many different external events that may impact an Underlying Asset, and these will vary depending on the type of Underlying Asset.
- (b) **External events which affect the Issuer's hedging arrangements:** Where the Securities are linked to one or more Underlying Assets, the Issuer will enter into hedging arrangements in order to manage its exposure in relation to its payment obligations under the Securities and to enable it to issue the Securities at the relevant price and on the relevant terms. As the amount(s) payable by the Issuer under the Securities will depend on the performance of the Underlying Asset(s), the hedging

arrangements may comprise holding the Underlying Asset(s) directly, entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Underlying Asset(s) or to hedge the currency or price risk in relation to the Underlying Asset(s) or the Securities. Accordingly, if an external event occurs which negatively impacts the Issuer's hedging arrangements, the Issuer may have available to it options which it may select in its discretion in order to deal with the impact of the event on its hedging arrangements.

Broadly, depending on the terms and conditions of the particular Securities – including that different terms may apply to different types of Underlying Assets, and bearing in mind that certain of the discretionary options described below will only apply to Securities where so specified in the relevant Final Terms – the Issuer may in its discretion determine that one of the following options shall apply following the occurrence of an external event described above:

- (a) **Adjustments to the terms and conditions of the Securities:** The Issuer may adjust the terms and conditions of the Securities to account for the economic effect of the external event on the Securities or (where specified to be applicable in the relevant Final Terms) on its hedging arrangements. This could result in a reduced return on the Securities than would otherwise be received.
- (b) **Substitutions of the Underlying Asset(s):** In respect of Equity-linked Securities and ETF-linked Securities where "Share Substitution" is specified to be applicable in the relevant Final Terms, following an "Extraordinary Event" in relation to the underlying share or ETF, the Issuer may substitute the original Underlying Asset with a replacement underlying asset satisfying the relevant criteria set out in the terms and conditions. The Issuer may also make adjustments to the terms and conditions to account for the economic effect of the "Extraordinary Event" and/or replacement of the original Underlying Asset. Any such substitution and potential adjustment could have a material adverse impact on the value of the Securities.
- (c) **Early redemption of the Securities:** In certain situations, where the Issuer determines that there is no adjustment that it can make under (a) that would achieve a commercially reasonable result, it may redeem the Securities early by giving notice to holders. In such case, the Early Payment Amount in respect of the Securities will be determined by the Issuer based on the fair market value of the Securities immediately prior to redemption, taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (where "Deduction for Hedge Costs" is specified to be applicable in the relevant Final Terms) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities. The Early Payment Amount on early redemption could be less than an investor's initial investment. An investor may not be able to reinvest the redemption proceeds in another investment at the time that provides an equivalent return.

The Issuer will make any discretionary determinations strictly in accordance with the terms of the applicable provisions set out in the terms and conditions of the Securities, as described in this Base Prospectus and the relevant Final Terms. In considering whether and how to make such a discretionary determination, the Issuer shall act in good faith and in a commercially reasonable manner. Further, the Issuer will ensure that any such determination is made by it in compliance with its applicable regulatory obligations, including that of achieving fair treatment for Securityholders. Any such determinations will be notified to Securityholders.

See risk factors 3(g) (*The Securities may be redeemed prior to their scheduled maturity*), 4(b) (*Adjustments and early redemption or cancellation*), 5(e) (*Issuer determination in respect of an Underlying Asset, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption*), 5(g) (*Jurisdictional Event*), 5(h) (*Occurrence of Additional Disruption Events*), 6(a)(iii) (*Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Securities*), 6(b)(v) (*Occurrence of Index Adjustment Events*), 6(c)(viii) (*Occurrence of Commodity Index Adjustment Events*), 6(d)(iii) (*Occurrence of Index*

*Adjustment Event in respect of Securities linked to an FX Index), 6(e)(iii) (Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Securities) and 6(g)(ii) (Occurrence of Index Adjustment Events in respect of an Interest Rate Index) for more information.*

### **Responsibility Statement**

Each Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms. To the best of the knowledge of each Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and any Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information.

### **Consent to use this Base Prospectus**

If so specified in the relevant Final Terms in respect of any particular issuance of Securities, the relevant Issuer consents to the use of this Base Prospectus in connection with the making of an offer of the Securities to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**") (a) by the financial intermediary/ies (each, an "**Authorised Offeror**"), (b) during the offer period, in the relevant Member State(s) and (c) subject to the relevant conditions, in each case as specified in the relevant Final Terms.

The consent shall be valid in relation to Luxembourg and each other Member State the competent authority of which has been provided with a certificate of approval by the competent authority in relation to this Base Prospectus under Article 18 of the Prospectus Directive, provided that it shall be a condition of such consent that this Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offers of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of the relevant Final Terms, (b) discontinue or change the offer period, and/or (c) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published on [www.bourse.lu](http://www.bourse.lu). The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

The relevant Issuer accepts responsibility for the content of this Base Prospectus in relation to any person (an "**Investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (a) by an Authorised Offeror (or the Issuer or any Dealer), (b) in a Member State for which the Issuer has given its consent, (c) during the offer period for which the consent is given and (d) in compliance with the other conditions attached to the giving of the consent. However, neither the relevant Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Other than in accordance with the terms set forth in the paragraph above, the relevant Issuer has not authorised (and nor has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this Base Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the relevant Issuer (or any Dealer) and neither the relevant Issuer nor any Dealer has any responsibility or liability to any investor purchasing Securities pursuant to such offer or for the actions of any person making such offer.

**Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the Investor, including as to price and settlement arrangements. The relevant Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to the Investor**

**by that Authorised Offeror. Neither of the Issuer nor any Dealer has any responsibility or liability for such information.**

### **CREST Depository Interests**

The Issuers give notice that investors may hold indirect interests in certain Securities through CREST through the issuance of dematerialised depository interests ("**CDIs**"). CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited or any successor thereto pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated).

### **No other information**

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in this Base Prospectus, and the Issuers do not accept responsibility for any information or representation so given that is not contained within the Base Prospectus.

### **The distribution of this Base Prospectus is restricted**

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the relevant Issuer to inform themselves about, and to observe, such restrictions. For a description of certain restrictions on offers or sales of the Securities and the distribution of this document and other offering materials relating to the Securities, please refer to the section headed "Selling Restrictions".

### **United States restrictions**

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set out under "Selling Restrictions" in the Base Prospectus.

### **Ratings**

The credit ratings of CS and CSi referred to in this Base Prospectus have been issued, for the purposes of Regulation (EC) No 1060/2009 as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"), by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**"), Fitch Italia S.P.A. ("**Fitch**") and Moody's Investors Service, Inc. ("**Moody's Inc.**"). Standard & Poor's and Fitch are both established in the EU and have been registered in accordance with the CRA Regulation. Moody's is not established in the EU and has not applied for registration under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**"). In general, and subject to certain exceptions (including the exception outlined below), European regulated investors are restricted from using a credit rating for regulatory purposes if such a credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Subject to the fulfilment of the conditions set out set out in Article 4(3) of the CRA Regulation, a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (an "**EU CRA**") may endorse (for regulatory purposes in the European Union) credit ratings issued outside the European Union where (a) the credit rating activities resulting in the issuing of the credit rating are undertaken in whole or in part by a credit rating agency or credit rating agencies belonging to the same group (a "**non-EU CRA**"), and (b) the EU CRA has verified and is able to demonstrate on an ongoing basis to ESMA that the conduct of the credit rating activities by the non-EU CRA resulting in the issuing of the credit

## Important Notices

rating to be endorsed fulfils requirements which are "at least as stringent as" the requirements of the CRA Regulation. On 15 March 2012, ESMA announced that it considers the regulatory framework for credit rating agencies in the United States to be "as stringent as" the requirements of the CRA Regulation. Moody's Investors Service Limited (which has been registered under the CRA Regulation and appears on the list of registered credit rating agencies on ESMA's web site) currently endorses credit ratings issued by Moody's Inc. for regulatory purposes in the European Union. There can be no assurance that Moody's Investors Service Limited will continue to endorse credit ratings issued by Moody's Inc.

CS has been issued a senior unsecured long-term debt rating of "A (Stable Outlook)" by Standard & Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc. CSi has been issued a senior unsecured long-term debt rating of "A (Stable Outlook)" by Standard & Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc.

### *Explanation of ratings as of the date of this document:*

*"A (Stable Outlook)" by Standard's & Poor's:* An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects. The rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years), and a stable outlook means that a rating is not likely to change.

*"A (Stable Outlook)" by Fitch:* An "A" rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The rating outlook indicates the direction a rating is likely to move over a one- to two-year period.

*"A1 (Stable Outlook)" by Moody's Inc.:* Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk; the modifier "1" indicates that the obligation ranks in the higher end of its generic rating category. A stable outlook indicates a low likelihood of a rating change over the medium term.

### **ISDA Definitions**

Where any interest and/or coupon amount payable under the Securities is calculated by reference to an ISDA Rate, investors should consult the relevant Issuer if they require an explanation of such ISDA Rate.

## SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in sections A – E (A.1 – E.7).

This Summary contains all the Elements required to be included in a summary for these types of Securities and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of Securities and Issuers, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

Certain provisions of this summary appear in square brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular series (a "**Series**") of Securities and the completed summary in relation to such Series shall be appended to the relevant Final Terms.

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability only attaches to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
<b>A.2</b>	<b>Consent(s):</b>	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address [Give details] of Authorised Offeror(s):</p> <p>(b) Offer period for [Give details] which use of the Base Prospectus is authorised by the Authorised Offeror(s):</p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s):</p> <p>The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]</p>

		<p>If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror. Neither the Issuer nor any Dealer has any responsibility or liability for such information.]</p> <p>[Not applicable; the Issuer does not consent to the use of the Base Prospectus by any person other than the Dealer.]</p>
<b>Section B - Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer:</b>	[Credit Suisse AG (" <b>CS</b> "), acting through its [London] [Nassau] [Singapore] branch] [Credit Suisse International (" <b>CSI</b> ") (the " <b>Issuer</b> ").
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer:</b>	<p>[CS is a Swiss bank and joint stock corporation established under Swiss law on 5 July 1856 and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.]</p> <p>[CSi is an unlimited company incorporated in England and Wales on 9 May 1990. CSi is an English bank regulated as an EU credit institution and operates under English law. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ.]</p>
<b>B.4b</b>	<b>Known trends with respect to the Issuer and the industries in which it operates:</b>	<p><b>Financial services industry is undergoing a transition period</b></p> <p>The financial services industry is undergoing a transition period, with banks seeking to adapt to new regulatory requirements, changing macroeconomic conditions and evolving client needs.</p> <p><b>Investment banking developments</b></p> <p>Investment banking has been impacted by a high degree of macroeconomic uncertainties, political tensions and continuing regulatory developments. There are also concerns due to the European sovereign debt crisis and the global economic slowdown.</p> <p>The Issuers' Group investment banking business has been affected by subdued corporate and institutional risk appetite, continued low client activity levels across businesses and high market volatility.</p> <p><b>Legal and regulatory developments</b></p> <p>Financial institutions across the globe have been under significant pressure to adapt their business models as legal requirements became increasingly stringent.</p> <p>The evolving regulatory framework and significant regulatory developments have fundamentally changed the business and</p>

		<p>competitive landscape of the industry.</p> <p>One example of significant change affecting the industry is the phasing-in of higher minimum capital requirements under Basel III beginning in 2013 in some countries, including Switzerland. Banks deemed systemically important will be required to hold additional capital by the beginning of 2019 as part of efforts to prevent another financial crisis.</p> <p>Although some of the new regulatory measures require further rule-making and will be implemented over time, the Issuer expects increased capital and liquidity requirements and derivatives regulation to result in reduced risk-taking and increased transparency.</p>																													
<b>B.5</b>	<b>Description of group and Issuers' position within the group</b>	<p>[CS is a wholly owned subsidiary of Credit Suisse Group AG.]</p> <p>[Credit Suisse AG owns 80 per cent. and Credit Suisse Group AG owns 20 per cent. of CSi's ordinary voting shares.]</p> <p>A summary organisation chart is set out below:</p> <pre> graph TD     CSG[Credit Suisse Group AG] -- 100% --&gt; CSA[Credit Suisse AG]     CSA -- 80% --&gt; CSI[Credit Suisse International]     CSG -- 20% --&gt; CSI </pre>																													
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable; no profit forecasts or estimates have been made by the Issuer.																													
<b>B.10</b>	<b>Qualifications in audit report on historical financial information</b>	Not applicable; there were no qualifications in the audit report on historical financial information.																													
<b>B.12</b>	<b>Selected key financial information; no material adverse change and description of significant change in financial or trading position of the Issuer:</b>	<p><i>[Insert the following if the Issuer is CS]</i></p> <table border="1"> <thead> <tr> <th rowspan="2"><u>CS</u></th> <th colspan="2"><i>In CHF million</i></th> </tr> <tr> <th colspan="2"><i>Year ended 31 December</i></th> </tr> <tr> <th></th> <th><i>2012</i></th> <th><i>2011</i></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Selected income statement data</b></td> </tr> <tr> <td>Net Revenue</td> <td>23,533</td> <td>25,187</td> </tr> <tr> <td>Total operating expenses</td> <td>(21,472)</td> <td>(22,563)</td> </tr> <tr> <td>Net income/loss</td> <td>1,495</td> <td>2,042</td> </tr> <tr> <td colspan="3"><b>Selected balance sheet data</b></td> </tr> <tr> <td>Total assets</td> <td>908,160</td> <td>1,034,787</td> </tr> <tr> <td>Total liabilities</td> <td>865,999</td> <td>996,436</td> </tr> </tbody> </table>	<u>CS</u>	<i>In CHF million</i>		<i>Year ended 31 December</i>			<i>2012</i>	<i>2011</i>	<b>Selected income statement data</b>			Net Revenue	23,533	25,187	Total operating expenses	(21,472)	(22,563)	Net income/loss	1,495	2,042	<b>Selected balance sheet data</b>			Total assets	908,160	1,034,787	Total liabilities	865,999	996,436
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Summary

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<b>B.13</b>	<b>Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:</b>	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																																										
<b>B.14</b>	<b>Issuer's position in its corporate group and dependency on other entities within the corporate group:</b>	See Element B.5 above.																																										
<b>B.15</b>	<b>Issuer's principal activities:</b>	<p>[CS' principal activities is structured along three lines of business:</p> <ul style="list-style-type: none"> <li>Investment banking: CS offers securities products and financial advisory services to users and suppliers of capital around the world</li> </ul>																																										

		<ul style="list-style-type: none"> <li>Private banking: CS provides comprehensive advice and a broad range of investment products and services globally, including wealth management solutions</li> <li>Asset management: CS offers products across a broad spectrum of investment classes, including alternative investments and multi-asset class solutions.]</li> </ul> <p>[CSi's principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of CSi is to provide comprehensive treasury and risk management derivative product services.]</p>
<b>B.16</b>	<b>Ownership and control of the Issuer:</b>	See Element B.5 above.
<b>B.17</b>	<b>Ratings:</b>	<p>[CS has been issued a senior unsecured long-term debt rating of "A (Stable Outlook)" by Standard &amp; Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc.]</p> <p>[CSi has been issued a senior unsecured long-term debt rating of "A (Stable Outlook)" by Standard &amp; Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc.]</p>
<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and class of securities being offered:</b>	<p>The Securities are [Notes]/[Certificates]/[Warrants]. The Securities are [Callable]/[Trigger]/[Yield]/[Return] Securities.</p> <p>The Securities of a Series will be uniquely identified by <b>ISIN</b>: [●]; <b>Common Code</b>: [●]; [other security identification number]].</p>
<b>C.2</b>	<b>Currency:</b>	The currency of the Securities will be [currency] (the " <b>Settlement Currency</b> ").
<b>C.5</b>	<b>Description of restrictions on free transferability of the Securities:</b>	<p>The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "<b>Securities Act</b>") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.</p> <p>No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
<b>C.8</b>	<b>Description of rights attached to the securities, ranking of the securities and limitations to rights:</b>	<p><b>Rights:</b> The Securities will give each holder of Securities (a "<b>Securityholder</b>") the right to receive a potential return on the Securities (see Element [C.9]/[C.18] below). The Securities will also give each Securityholder the right to vote on certain amendments.</p> <p><b>Status and ranking:</b> The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured</p>

		<p>obligations of the Issuer from time to time outstanding.</p> <p><b>Limitation to Rights:</b></p> <ul style="list-style-type: none"> <li>• The Issuer may redeem the Securities early for illegality reasons or due to certain events affecting the Issuer's hedging arrangements or the underlying asset(s). <i>[Include unless the Securities are Notes listed on Borsa Italiana S.p.A.: In such case, the amount payable on such early redemption will be equal to the fair market value of the Securities]/[Include for Securities that are Notes listed on Borsa Italiana S.p.A.: In such case, the amount payable on such early redemption will be equal to its Specified Denomination]/[Include if "Deduction for Hedge Costs" is applicable and unless the Securities are Notes or Certificates listed on Borsa Italiana S.p.A.: less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements].</i></li> <li>• The Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain adjustment events or other events affecting the Issuer's hedging arrangements or the underlying asset(s), or may early redeem the Securities at an amount which may be less than the initial investment.</li> <li>• The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all Securityholders, whether or not they attended such meeting or voted for or against it. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders.</li> <li>• The Securities are subject to the following events of default: if the Issuer fails to pay any amount due in respect of the Securities within 30 days of the due date, or if any events relating to the insolvency or winding up of the Issuer occur.</li> <li>• The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any company with which it consolidates, into which it merges or to which it sells all or substantially all its property.</li> </ul> <p><b>Governing Law:</b> The Securities are governed by English law.</p>
<p><b>C.9</b></p>	<p><b>Description of the rights attached to the securities including ranking and limitations and interest and redemption:</b></p>	<p>[Not applicable; the Securities do not give an investor the right to receive 100 per cent. of the [specified denomination]/[nominal amount]/[issue price] at maturity.]</p> <p>[See Element C.8 above for information on rights attaching to the Series of Securities including ranking and limitations.</p> <p><b>Coupon</b></p> <p><i>[Include if the Securities do not bear interest:</i> The Securities</p>

		<p>shall not bear interest.]</p> <p><i>[Include if the Securities bear fixed rate interest:</i> The Securities shall bear interest at [the rate of [rate] per cent. per annum]/[[specify amount] per Security] and interest will accrue from, and including, [the issue date]/[date] to, but excluding, the Maturity Date, such interest being payable in arrear on each Coupon Payment Date. The Coupon Payment Date(s) will be [date(s)]. The yield is [specify yield], calculated at the issue date on the basis of the issue price.]</p> <p><i>[Include if the Securities bear floating rate interest:</i> The Securities shall bear interest on the basis of [specify the floating rate option] [+/-] [specify spread] per cent. per annum with a designated maturity of [specify designated maturity] on [screen page] [capped at [specify maximum amount]] [and] [floored at [specify minimum amount]] and interest will accrue from, and including, [the issue date]/[date] to, but excluding, the Maturity Date, such interest being payable in arrear on each Coupon Payment Date. The Coupon Payment Date(s) will be [date(s)].]</p> <p><i>[Include if "Knock-in Coupon Cut-off" is applicable:</i> If a Knock-in Event (see Element C.18 below) occurs, no further Coupon Amounts shall be payable.]</p> <p><b>Redemption</b></p> <p>Unless redeemed earlier, the Securities will be redeemed at par on the Maturity Date.]</p>
<p><b>C.10</b></p>	<p><b>Derivative component in the interest payment:</b></p>	<p>[Not applicable; the Securities do not give an investor the right to receive 100 per cent. of the [specified denomination]/[nominal amount]/[issue price] at maturity.]</p> <p>[Not applicable; there is no derivative component in the interest payment(s) made in respect of the Securities.]</p> <p><i>[Include if "Coupon Payment Event" is applicable:</i></p> <p>If a Coupon Payment Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be <i>[include if "Fixed" is applicable:</i> [indicatively] [[specify amount] per [Specified Denomination]/[Security]]/[specify percentage] per cent. of the Nominal Amount], subject to a minimum of [[specify amount] per [Specified Denomination]/[Security]]/[specify percentage] per cent. of the Nominal Amount]]/[include if "Coupon Call" is applicable: an amount equal to the product of (a) the Nominal Amount, (b) the Coupon Call Performance, and (c) the Participation]/[include if "Coupon Put" is applicable: an amount equal to the product of (a) the Nominal Amount, (b) the Coupon Put Performance, and (c) the Participation]/[include if "Memory Coupon" is applicable: an amount equal to (a) the product of (i) the Nominal Amount, (ii) the Coupon Rate, and (iii) the number of [Coupon Observation Dates]/[Coupon Observation Periods] that have occurred minus (b) the sum of the Coupon Amounts (if any) paid in respect of such Security on each Coupon Payment Date preceding such Coupon Payment Date], subject to the [Coupon Floor] [and] [Coupon Cap]].</p> <p>If no Coupon Payment Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be</p>

		<p>[[specify amount] per [Specified Denomination]/[Security]]/[[specify percentage] per cent. of the Nominal Amount]/[zero].]</p> <p><i>[Include if "Double No-Touch" is applicable:</i></p> <p>If a Double No-Touch Event has occurred, <i>[include if "Fixed" is specified:</i> the Coupon Amount payable on the relevant Coupon Payment Date shall be [[specify amount] per [Specified Denomination]/[Security]]/[[specify percentage] per cent. of the Nominal Amount].<i>]</i><i>[include if "Floating Rate" is specified:</i> the Securities shall bear interest on the basis of <i>[specify the floating rate option]</i> [+/-] <i>[specify spread]</i> per cent. per annum with a designated maturity of <i>[specify designated maturity]</i> on <i>[screen page]</i> <i>[capped at [specify maximum amount]]</i> <i>[and]</i> <i>[floored at [specify minimum amount]]</i> and interest will accrue from, and including, <i>[the issue date]/[date]</i> to, but excluding, the Maturity Date, such interest being payable in arrear on each Coupon Payment Date.]</p> <p>If no Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be zero.]</p> <p><i>[Include if "Double No-Touch Accrual" is applicable:</i></p> <p>The Coupon Amount payable on the relevant Coupon Payment Date shall be an amount (which may be zero) equal to the <i>product</i> of (a) the Nominal Amount, (b) the Coupon Rate, and (c) the number of Coupon Observation Periods in respect of which a Double No-Touch Event has occurred.]</p> <p><i>[Include if Double No-Touch Memory is applicable:</i></p> <p>If a Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be an amount equal to (a) the <i>product</i> of (i) the Nominal Amount, (ii) the Coupon Rate, and (iii) the number of <i>[Coupon Observation Dates]/[Coupon Observation Periods]</i> that have occurred <i>minus</i> (b) the sum of the Coupon Amounts (if any) paid in respect of such Security on each Coupon Payment Date preceding such Coupon Payment Date.</p> <p>If no Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be zero.]</p> <p><i>[Include if "Range Accrual" is applicable:</i></p> <p>The Coupon Amount shall be equal to the <i>product</i> of (a) the Nominal Amount, (b) the Rate, and (c) the number of scheduled trading days for <i>[the]/[each]</i> underlying asset during the Accrual Period son which the Accrual Condition was satisfied, <i>divided</i> by the total number of scheduled trading days for <i>[the]/[each]</i> underlying asset in the relevant Accrual Period.]</p> <p><i>[Include if "Step-Up" is applicable:</i></p> <p>The Coupon Amount shall be:</p> <p>(a) if on the relevant Coupon Observation Date, the <i>[Level of [the]/[each] underlying asset [at the Valuation Time]/[at any time]]/[Basket Performance]</i> is at or above Coupon Threshold 1 but <i>[the Level of any underlying</i></p>
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		<p>asset [at the Valuation Time]/[at any time] is] below Coupon Threshold 2, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) [indicatively] [<i>specify coupon rate 1</i>][, subject to a minimum of [<i>specify percentage</i>] per cent.];</p> <p>(b) if on the relevant Coupon Observation Date, the [Level of [the]/[each] underlying asset [at the Valuation Time]/[at any time]]/[Basket Performance] is at or above Coupon Threshold 2, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) [indicatively] [<i>specify coupon rate 2</i>][, subject to a minimum of [<i>specify percentage</i>] per cent.]; or</p> <p>(c) if on the relevant Coupon Observation Date, the [Level of [the]/[any] underlying asset [at the Valuation Time]/[at any time]]/[Basket Performance] is below Coupon Threshold 1, zero.]</p> <p>[Include if "Knock-in Coupon Cut-off" is applicable: If a Knock-in Event has occurred, no further Coupon Amounts shall be payable.]</p> <p>[Where:</p> <ul style="list-style-type: none"> <li>• <b>[Accrual Condition]:</b> on any scheduled trading day for [the]/[each] underlying asset during the Accrual Period, the Level of [[the]/[each] underlying asset]/[the worst performing underlying asset] [at the Valuation Time]/[at any time] is [at or above the Coupon Threshold of such underlying asset]/[both (a) at or above the Lower Barrier and (b) at or below the Upper Barrier].]</li> <li>• <b>[Accrual Period]:</b> [<i>specify period</i>].]</li> <li>• <b>[Basket Performance]:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the Level of such underlying asset [at the Valuation Time] on the relevant Coupon Observation Date <i>divided</i> by its Strike Price.]</li> <li>• <b>[Coupon Call Performance]:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b)(i) the Coupon Fixing Price of such underlying asset <i>minus</i> the <i>product</i> of (A) [<i>specify coupon strike</i>], and (B) its Strike Price, <i>divided</i> by (ii) its Strike Price.]</li> <li>• <b>[Coupon Cap]:</b> [<i>specify percentage</i>] per cent. of the Nominal Amount.]</li> <li>• <b>[Coupon Fixing Price]:</b> [the Level of the [relevant] underlying asset [at the Valuation Time] on the relevant Coupon Observation Date]/[the [lowest]/[highest]/[average] of the Levels of the [relevant] underlying asset [at the Valuation Time] on each of the Coupon Observation Averaging Dates].]</li> <li>• <b>[Coupon Floor]:</b> [<i>specify percentage</i>] per cent. of the</li> </ul>
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		<p>Nominal Amount.]</p> <ul style="list-style-type: none"> <li>• <b>[Coupon Observation Averaging Dates:</b> <i>[date(s)]</i>, in each case subject to adjustment for disrupted days].]</li> <li>• <b>Coupon Observation Date(s):</b> <i>[[date(s)]</i>, in each case subject to adjustment for disrupted days]<i>]/[each scheduled trading day in the relevant Coupon Observation Period</i>, in each case subject to adjustment for disrupted days]<i>]/[each scheduled trading day which is not a disrupted day in the relevant Coupon Observation Period]/[each day falling in the relevant Coupon Observation Period on which the underlying asset is traded on the relevant exchange, regardless of whether such day is a scheduled trading day or is a disrupted day]/[each day falling in the relevant Coupon Observation Period on which one or more official levels of the underlying asset is published as determined by the sponsor, regardless of whether such day is a scheduled trading day or is a disrupted day].</i></li> <li>• <b>[Coupon Observation Period(s):</b> <i>[specify period(s)].</i></li> <li>• <b>Coupon Payment Date(s):</b> <i>[date(s)]/[specify number]</i> currency business days following the <i>[relevant Coupon Observation Date]/[relevant last Coupon Observation Averaging Date]/[last day of the relevant Coupon Observation Period]</i>].</li> <li>• <b>[Coupon Payment Event:</b> if <i>[on [the relevant Coupon Observation Date]/[each Coupon Observation Date during the relevant Coupon Observation Period], [the Level of [the]/[any]/[each] underlying asset [at the Valuation Time]/[at any time]]/[the Basket Performance] is [below]/[above]/[at or below]/[at or above] the Coupon Threshold [of such underlying asset] corresponding to such Coupon Observation Date]/[the average of the Levels [at the Valuation Time] of [the]/[any]/[each] underlying asset on each of the Coupon Observation Dates corresponding to the relevant Coupon Payment Date is [below]/[above]/[at or below]/[at or above] the Coupon Threshold of such underlying asset corresponding to such Coupon Observation Dates].</i></li> <li>• <b>[Coupon Put Performance:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) (i) the <i>product</i> of (A) <i>[specify coupon strike]</i>, and (B) its Strike Price, <i>minus</i> the Coupon Fixing Price of such underlying asset, <i>divided</i> by (ii) its Strike Price.]</li> <li>• <b>[Coupon Rate:</b> <i>[indicatively] [specify percentage] per cent.</i>, subject to a minimum of <i>[specify percentage] per cent.</i></li> <li>• <b>[Coupon Threshold:</b> in respect of each Coupon Observation Date, <i>[and [the]/[each] underlying asset, [specify coupon threshold] per cent. of its Strike Price.]/[[specify coupon threshold] per cent.]</i></li> <li>• <b>[Coupon Threshold 1:</b> <i>[in respect of each Coupon Observation Date and [the]/[each] underlying asset, [specify coupon threshold 1] per cent. of its Strike Price.]/[specify</i></li> </ul>
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		<p><i>coupon threshold 1</i>] per cent.]]</p> <ul style="list-style-type: none"> <li>• <b>[Coupon Threshold 2:</b> [in respect of each Coupon Observation Date and [the]/[each] underlying asset, [<i>specify coupon threshold 2</i>] per cent. of its Strike Price.]/[<i>specify coupon threshold 2</i>] per cent.]]</li> <li>• <b>[Double No-Touch Event:</b> if on each Coupon Observation Date during the relevant Coupon Observation Period, the [Level of [the]/[each] underlying asset [at the Valuation Time]/[at any time]]/[Basket Performance] is both (a) [above]/[at or above] the Lower Barrier [of such underlying asset], and (b) [below]/[at or below] the Upper Barrier [of such underlying asset].]</li> <li>• <b>[Initial Averaging Dates:</b> [<i>dates</i>], in each case, subject to adjustment.]</li> <li>• <b>[Knock-in Barrier:</b> [[<i>specify percentage</i>] per cent. of the Strike Price of the relevant underlying asset.]/[[<i>specify percentage</i>] per cent.]]</li> <li>• <b>[Knock-in Event:</b> if [on any Knock-in Observation Date, the [Level of [the]/[any] underlying asset [at the Valuation Time]/[at any time]]/[the Basket Performance] is [below]/[above]/[at or below]/[at or above] the Knock-in Barrier [of such underlying asset]]/[the average of the Levels [at the Valuation Time] of [the]/[any] underlying asset on each of the Knock-in Observation Dates is [below]/[above]/[at or below]/[at or above] the Knock-in Barrier of such underlying asset].]</li> <li>• <b>[Knock-in Observation Date(s):</b> [[<i>date(s)</i>]], in each case subject to adjustment for disrupted days]]/[each scheduled trading day in the relevant Knock-in Observation Period[, in each case subject to adjustments for disrupted days]]/[each scheduled trading day which is not a disrupted day in the relevant Knock-in Observation Period]/[each day falling in the relevant Knock-in Observation Period on which the underlying asset is traded on the relevant exchange, regardless of whether such day is a scheduled trading day or is a disrupted day]/[each day falling in the relevant Knock-in Observation Period on which one or more official levels of the underlying asset is published as determined by the sponsor, regardless of whether such day is a scheduled trading day or is a disrupted day].]</li> <li>• <b>[Knock-in Observation Period:</b> [<i>specify period</i>].]</li> <li>• <b>Level:</b> in respect of any day, the [price]/[level]/[reference price]/[closing level]/[value]/[rate] of the underlying asset(s) [quoted on the relevant exchange]/[as calculated and published by the relevant sponsor].</li> <li>• <b>[Lower Barrier:</b> [in respect of [the]/[each] underlying asset, [[<i>specify lower barrier</i>] per cent. of its Strike Price]/[<i>specify lower barrier as an amount</i>]]/[<i>specify lower barrier</i>] per cent.].]</li> <li>• <b>Nominal Amount:</b> [<i>specify amount</i>].</li> </ul>
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		<ul style="list-style-type: none"> <li>• <b>[Participation:</b> [indicatively] [<i>specify percentage</i>] per cent.[, subject to a minimum of [<i>specify minimum participation</i>].]</li> <li>• <b>[Rate:</b> [<i>specify percentage</i>] per cent.]</li> <li>• <b>[Strike Cap:</b> [<i>specify strike cap percentage</i>] per cent. of the Level of the relevant underlying asset [at the Valuation Time] on the first Initial Averaging Date.]</li> <li>• <b>[Strike Floor:</b> [<i>specify strike floor percentage</i>] per cent. of the Level of the relevant underlying asset [at the Valuation Time] on the first Initial Averaging Date.]</li> <li>• <b>Strike Price:</b> [<i>specify strike price for each underlying asset</i>]/[the Level of the [relevant] underlying asset [at the Valuation Time] on the Initial Setting Date]/[the [lowest]/[highest]/[average] of the Levels of the [relevant] underlying asset [at the Valuation Time] on each of the Initial Averaging Dates[, subject to the [Strike Floor] [and] [Strike Cap]]].</li> <li>• <b>[Upper Barrier:</b> [in respect of [the]/[each] underlying asset, [[<i>specify upper barrier</i>] per cent. of its Strike Price]/[<i>specify upper barrier as an amount</i>]]/[<i>specify upper barrier</i>] per cent].]</li> <li>• <b>[Valuation Time:</b> [<i>specify time</i>]/[scheduled closing time on the exchange]/[the time with reference to which the relevant Sponsor calculates and publishes the closing level of the underlying asset].]</li> <li>• <b>[Weight:</b> [<i>specify weight for each underlying asset</i>].]</li> </ul>
<p><b>C.11</b></p>	<p><b>Admission to trading:</b></p>	<p>[Application has been made to admit the Securities to trading on the [<i>regulated market</i>].]</p> <p>[Not applicable; the Securities will not be admitted to trading on any exchange.]</p>
<p><b>C.15</b></p>	<p><b>Effect of the underlying instrument(s) on value of investment:</b></p>	<p>[Not applicable; the Securities are not linked to any underlying asset.]</p> <p>[[<i>Include for Return Securities:</i> The value of the Securities and whether any Coupon Amount is payable on a Coupon Payment Date will depend on the performance of the underlying asset(s) on [the relevant Coupon Observation Date]/[each Observation Date during the relevant Coupon Observation Period]/[each Accrual Day during the relevant Accrual Period].]</p> <p>[<i>Include for Trigger Securities:</i> The value of the Securities and whether the Securities will redeem early on a Trigger Barrier Redemption Date will depend on the performance of the underlying asset(s) on the relevant Trigger Barrier Observation Date(s) [during the Trigger Barrier Observation Period].]</p> <p>[<i>Include unless "Fixed Redemption" or "Physical Settlement Trigger" is applicable:</i> The value of the Securities and the [Redemption]/[Settlement] Amount payable in respect of Securities being redeemed on the [Maturity]/[Settlement] Date will depend on the performance of the underlying asset(s) on any Knock-in Observation Date and on the [Final Fixing</p>

		<p>Date]/[Averaging Dates].]</p> <p><i>[Include if "Physical Settlement Trigger" is applicable: The value of the Securities and whether the cash settlement or physical settlement will apply will depend on the performance of the underlying asset(s) on the Physical Settlement Trigger Observation Date.]</i></p> <p>See Element C.18. below.]</p>
<b>C.16</b>	<b>Scheduled Maturity Date or Settlement Date:</b>	<p>[[The scheduled Maturity Date of the Securities is [date]]/[specify number] currency business days immediately following the [latest] [Final Fixing Date]/[Averaging Date]/[Knock-in Observation Date]/[Coupon Observation Date]/[Coupon Observation Averaging Date]/[Trigger Barrier Observation Date] [to occur] (expected to be [date]]/[The later of [date] and the [specify number] currency business day immediately following the [latest] [Final Fixing Date]/[Averaging Date]/[Knock-in Observation Date]/[Coupon Observation Date]/[Coupon Observation Averaging Date]/[Trigger Barrier Observation Date] [to occur] (expected to be [date])].]</p> <p>[The scheduled Settlement Date of the Securities is [specify number] currency business days after the [expiration date]/[exercise date].]</p>
<b>C.17</b>	<b>Settlement Procedure:</b>	<p>The Securities will be delivered by the issuer against payment of the issue price. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The Securities are cleared through [Euroclear Bank S.A./N.V.]/[Clearstream Banking, société anonyme]/[Clearstream Banking AG, Frankfurt]/[Monte Titoli S.p.A.]/[Euroclear Finland]/[Euroclear Sweden]/[VPS]/[CREST]/[specify other].</p>
<b>C.18</b>	<b>Return on Derivative Securities:</b>	<p>[Not applicable; the Securities are not linked to any underlying asset.]</p> <p>[The return on the Securities will derive from:</p> <ul style="list-style-type: none"> <li>• [the Coupon Amount(s) payable (if any);]</li> <li>• <i>[Include for Callable Securities and Trigger Securities: the potential payment of an [Optional]/[Trigger Barrier] Redemption Amount following early redemption of the Securities due to [the exercise by the Issuer of its call option]/[the occurrence of a Trigger Event];] [and]</i></li> <li>• unless the Securities have been previously redeemed or purchased and cancelled, the payment of [the Redemption Amount]/[the Settlement Amount] on the scheduled [Maturity Date]/[Settlement Date] of the Securities.</li> </ul> <p style="text-align: center;"><i>[Include for Yield Securities or Return Securities:</i></p> <p style="text-align: center;"><b><u>COUPON AMOUNT(S)</u></b></p> <p><i>[Include applicable interest provisions from Elements C.9 and C.10 above]]</i></p>

		<p style="text-align: center;"><i>[Include for Callable Securities:</i></p> <p style="text-align: center;"><b><u>OPTIONAL REDEMPTION AMOUNT</u></b></p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer may exercise its call option and redeem all [or some of] the Securities on the relevant Optional Redemption Date by giving notice to the Securityholders [(regardless of whether a Knock-in Event has occurred)]. The Optional Redemption Amount payable in respect of each Security on the Optional Redemption Date shall be equal to [<i>specify percentage</i>] per cent. of the Nominal Amount[, together with any Coupon Amount payable on such Optional Redemption Date].</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Optional Redemption Date:</b> [<i>date</i>].]</li> </ul> <p style="text-align: center;"><i>[Include for Trigger Securities:</i></p> <p style="text-align: center;"><b><u>TRIGGER BARRIER REDEMPTION AMOUNT</u></b></p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, if a Trigger Event has occurred, the Issuer shall redeem the Securities on the Trigger Barrier Redemption Date at the Trigger Barrier Redemption Amount [(regardless of whether any Knock-in Event has occurred)], together with any Coupon Amount payable on such Trigger Barrier Redemption Date].</p> <p><i>[Include if Knock-in Event Override Condition is applicable: If a Knock-in Event has occurred on any Knock-in Observation Date, then no Trigger Event shall be deemed to have occurred, the Securities will not be redeemed on the Trigger Barrier Redemption Date and no Trigger Barrier Redemption Amount shall be payable.]</i></p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>[Basket Performance:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the Level of such underlying asset [at the Valuation Time] on the relevant Trigger Barrier Observation Date <i>divided</i> by its Strike Price.]</li> <li>• <b>Trigger Barrier:</b> [[<i>specify percentage</i>] per cent. of the Strike Price of the relevant underlying asset.]/[[<i>specify percentage</i>] per cent.]</li> <li>• <b>Trigger Barrier Observation Date(s):</b> [[<i>date(s)</i>], in each case subject to adjustment for disrupted days]/[each scheduled trading day in the relevant Trigger Barrier Observation Period[, in each case subject to adjustment for disrupted days]]/[each scheduled trading day which is not a disrupted day in the relevant Trigger Barrier Observation Period]/[each day falling in the relevant Trigger Barrier Observation Period on which the underlying asset is traded on the relevant exchange, regardless of whether such day is a scheduled trading day or is a disrupted day]/[each day</li> </ul>
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		<p>falling in the relevant Trigger Barrier Observation Period on which one or more official levels of the underlying asset is published as determined by the sponsor, regardless of whether such day is a scheduled trading day or is a disrupted day].</p> <ul style="list-style-type: none"> <li>• <b>[Trigger Barrier Observation Period:</b> <i>[specify period]</i>.]</li> <li>• <b>Trigger Barrier Redemption Amount:</b> <i>[specify percentage]</i> per cent. of the Nominal Amount.</li> <li>• <b>Trigger Barrier Redemption Date(s):</b> <i>[date(s)]</i>/[a day selected by the Issuer falling not later than 10 currency business days immediately following the occurrence of a Trigger Event].</li> <li>• <b>Trigger Event:</b> if [on any Trigger Barrier Observation Date, [the Level of [the]/[each] underlying asset [at the Valuation Time]/[at any time]]/[the Basket Performance] is at or above the Trigger Barrier [of such underlying asset]]/[the average of the Levels [at the Valuation Time] of [the]/[each] underlying asset on each of the Trigger Barrier Observation Dates corresponding to the relevant Trigger Barrier Redemption Date is at or above the Trigger Barrier of such underlying asset].]</li> </ul> <p style="text-align: center;"><b><u>[REDEMPTION]/[SETTLEMENT] AMOUNT</u></b></p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer shall redeem the Securities on the [Maturity Date]/[Settlement Date].</p> <p>The Issuer shall redeem the Securities on the [Maturity Date]/[Settlement Date] at the [Redemption Amount]/[Settlement Amount], which shall be an amount rounded down to the nearest transferable unit of the Settlement Currency [determined in accordance with paragraph (a) or (b) below]/[equal to]:]</p> <p><i>[Include if "Single Factor Trigger Redeemable" or "Single Factor Phoenix" is applicable:</i></p> <ul style="list-style-type: none"> <li>(a) if a Knock-in Event has occurred, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) the Final Price <i>divided</i> by the Strike Price[, subject to [a maximum of <i>[specify redemption amount cap]</i>] [and] [a minimum of <i>[specify redemption amount floor]</i>]]; or</li> <li>(b) if no Knock-in Event has occurred, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) <i>[specify redemption option percentage]</i> per cent.]</li> </ul> <p><i>[Include if "Worst of Trigger Redeemable", "Worst of Phoenix", "Basket Trigger Redeemable" or "Basket Phoenix" is applicable:</i></p> <ul style="list-style-type: none"> <li>(a) if a Knock-in Event has occurred, an amount equal to <i>[include if "Worst of Trigger Redeemable" or "Worst of Phoenix" is applicable: the product</i> of (i) the Nominal Amount and (ii) the Worst Final Price <i>divided</i> by the Worst Strike Price]<i>[include if "Basket Trigger Redeemable" or "Basket Phoenix" is applicable: the</i></li> </ul>
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		<p><i>product</i> of (i) the Nominal Amount and (ii) the Final Basket Performance]], subject to [a maximum of [specify redemption amount cap]] [and] [a minimum of [specify redemption amount floor]]]; or</p> <p>(b) if no Knock-in Event has occurred, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) [specify redemption option percentage] per cent.]</p> <p>[Include if "Fixed Redemption" is applicable: the <i>product</i> of (a) the Nominal Amount and (b) [specify redemption option percentage] per cent.]</p> <p>[Include if "Redemption Call" or "Redemption Put" is applicable:</p> <p>(a) if a Knock-in Event has occurred, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) the <i>sum</i> of (A) one and (B) the <i>product</i> of (I) the Redemption Participation and (II) the Redemption Return; or</p> <p>(b) if no Knock-in Event has occurred, an amount equal to the <i>product</i> of (i) the Nominal Amount and (ii) the <i>sum</i> of (A) one and (B) the greater of (I) [specify floor] and (II) the <i>product</i> of (aa) the Redemption Participation and (bb) the Redemption Return.]</p> <p style="text-align: center;"><b>[PHYSICAL SETTLEMENT]</b></p> <p>[Include if "Physical Settlement Option" is applicable (Notes and Certificates only): If the relevant Securityholder has delivered a valid notice to the Issuer and paying agent exercising the physical settlement option, the Issuer shall redeem the Securities by delivery of the Share Amount [of the worst performing underlying asset] and payment of any Fractional Cash Amount on the Maturity Date.]</p> <p>[Include if "Physical Settlement Trigger" is applicable (Notes and Certificates only): If the Physical Settlement Trigger Event has occurred, the Issuer shall redeem the Securities by delivery of the Share Amount [of the worst performing underlying asset] and payment of any Fractional Cash Amount on the Maturity Date.]</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>[Averaging Dates:</b> [dates], in each case, subject to adjustment.]</li> <li>• <b>[Basket Performance:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the Level of such underlying asset [at the Valuation Time] on the relevant Knock-in Observation Date <i>divided</i> by its Strike Price.]</li> <li>• <b>[Final Basket Performance:</b> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the Final Price of such underlying asset <i>divided</i> by its Strike Price.]</li> <li>• <b>[Final Fixing Date:</b> [date], subject to adjustment.]</li> </ul>
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		<ul style="list-style-type: none"> <li>• <b>[Final Price:</b> [the Level of the [relevant] underlying asset [at the Valuation Time] on the Final Fixing Date]/[the [lowest]/[highest]/[average] of the Levels of the [relevant] underlying asset [at the Valuation Time] on each of the Averaging Dates].]</li> <li>• <b>[Fractional Cash Amount:</b> an amount equal to the <i>product</i> of (a) the Final Price of the underlying relevant asset, (b) the fractional interest in one share forming part of the Ratio and (c) the Spot Rate.]</li> <li>• <b>[Initial Averaging Dates:</b> [dates], in each case, subject to adjustment.]</li> <li>• <b>[Knock-in Barrier:</b> [[specify percentage] per cent. of the Strike Price of the relevant underlying asset.]/[[specify percentage] per cent.]]</li> <li>• <b>[Knock-in Event:</b> if [on any Knock-in Observation Date, the [Level of [the]/[any] underlying asset [at the Valuation Time]/[at any time]]/[the Basket Performance] is [below]/[above]/[at or below]/[at or above] the Knock-in Barrier [of such underlying asset]]/[the average of the Levels [at the Valuation Time] of [the]/[any] underlying asset on each of the Knock-in Observation Dates [in the Knock-in Observation Period] is [below]/[above]/[at or below]/[at or above] the Knock-in Barrier of such underlying asset].]</li> <li>• <b>[Knock-in Observation Date(s):</b> [[date(s)], in each case subject to adjustment for disrupted days]]/[each scheduled trading day in the relevant Knock-in Observation Period[, in each case subject to adjustment for disrupted days]]/[each scheduled trading day which is not a disrupted day in the relevant Knock-in Observation Period]/[each day falling in the relevant Knock-in Observation Period on which the underlying asset is traded on the relevant exchange, regardless of whether such day is a scheduled trading day or is a disrupted day]/[each day falling in the relevant Knock-in Observation Period on which one or more official levels of the underlying asset is published as determined by the sponsor, regardless of whether such day is a scheduled trading day or is a disrupted day].]</li> <li>• <b>[Knock-in Observation Period:</b> [specify period].]</li> <li>• <b>Level:</b> in respect of any day, the [price]/[level]/[reference price]/[closing level]/[value]/[rate] of the underlying asset(s) [quoted on the relevant exchange]/[as calculated and published by the relevant sponsor].</li> <li>• <b>Nominal Amount:</b> [specify amount].</li> <li>• <b>[Physical Settlement Trigger Event:</b> if on the Physical Settlement Trigger Observation Date, the Level of [the]/[each]/[any] underlying asset is [below]/[at or below] [specify physical settlement trigger event barrier] of its Strike Price.]</li> <li>• <b>[Ratio:</b> [the Nominal Amount <i>divided</i> by the Strike</li> </ul>
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		<p>Price]/[the Nominal Amount <i>divided</i> by the Spot Rate].]</p> <ul style="list-style-type: none"> <li>• <b>[Redemption Participation:</b> if a Knock-in Event has occurred, [<i>specify percentage</i>] per cent.; if no Knock-in Event has occurred, [<i>specify percentage</i>] per cent.]</li> <li>• <b>[Redemption Return:</b> [<i>Include if Redemption Call is applicable:</i> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the <i>quotient</i> of (i) its Final Price <i>minus</i> its Strike Price, <i>divided</i> by (ii) its Strike Price.][<i>Include if Redemption Put is applicable:</i> the sum of the weighted performance of each underlying asset, being the <i>product</i> of (a) the Weight of such underlying asset, and (b) the <i>quotient</i> of (i) its Strike Price <i>minus</i> its Final Price, <i>divided</i> by (ii) its Strike Price.]]</li> <li>• <b>[Share Amount:</b> the number of shares equal to the Ratio, rounded down to the nearest integral number of shares of the relevant underlying asset.]</li> <li>• <b>[Spot Rate:</b> the prevailing spot rate for the exchange of currency in which the relevant underlying asset is denominated for one unit of the Settlement Currency.]</li> <li>• <b>Strike Price:</b> [<i>specify strike price for each underlying asset</i>]/[the Level of the [relevant] underlying asset [at the Valuation Time] on the Initial Setting Date]/[the [lowest]/[highest]/[average] of the Levels of the [relevant] underlying asset [at the Valuation Time] on each of the Initial Averaging Dates[, subject to the [Strike Floor] [and] [Strike Cap]]].</li> <li>• <b>[Valuation Time:</b> [<i>specify time</i>]/[scheduled closing time on the exchange]/[the time with reference to which the relevant Sponsor calculates and publishes the closing level of the underlying asset].]</li> <li>• <b>[Weight:</b> [<i>specify weight for each underlying asset</i>].]</li> <li>• <b>[Worst Final Price:</b> the Final Price of the underlying asset that performs the worst on the Final Fixing Date.]</li> <li>• <b>[Worst Strike Price:</b> the Strike Price of the underlying asset that performs the worst on the Final Fixing Date.]]</li> </ul>
<p><b>C.19</b></p>	<p><b>Final reference price of underlying:</b></p>	<p>[Not applicable; the Securities are not linked to any underlying asset.]</p> <p>[The Final Price of [an]/[the] underlying asset shall be determined on the Final Fixing Date.]</p>
<p><b>C.20</b></p>	<p><b>Type of underlying:</b></p>	<p>[Not applicable; the Securities are not linked to any underlying asset.]</p> <p>[The underlying asset[s] [is [a]/[an]]/[are a basket of] [cash index[ices]]/[commodity[ies]]/[commodity futures contract[s]]/[currency exchange rate[s]]/[commodity index[ices]]/[exchange traded fund[s]]/[equity index[ices]]/[currency exchange rate [index[ices]]]/[interest rate</p>

		<p>index[ices]]/[inflation index[ices]]/[share[s]].</p> <p>Information on the underlying asset[s] can be found at [<i>specify details</i>].]</p>
<b>Section D – Risks</b>		
<b>D.2</b>	<b>Key risks that are specific to the Issuer</b>	<p>The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make the payments owing by it under the Securities.</p> <p>The Issuer is exposed to a variety of risks that could adversely affect its operations and/or financial condition:</p> <p><i>[Insert the following if the Issuer is CS]</i></p> <ul style="list-style-type: none"> <li>• <b>[Liquidity risk:</b> The Issuer's liquidity could be impaired if it were unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase.</li> <li>• <b>Market risk:</b> The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility. Its businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world.</li> <li>• <b>Credit risk:</b> The Issuer may suffer significant losses from its credit exposures.</li> <li>• <b>Risks from estimates and valuations:</b> The Issuer makes estimates and valuations that affect its reported results; these estimates are based upon judgment and available information, and the actual results may differ materially from these estimates.</li> <li>• <b>Risks relating to off-balance sheet entities:</b> The Issuer may enter into transactions with certain special purpose entities which are not consolidated and whose assets and liabilities are off-balance sheet. If the Issuer is required to consolidate a special purpose entity for any reason, this could have an adverse impact on the Issuer's results of operations and capital and leverage ratios.</li> <li>• <b>Cross-border and foreign exchange risks:</b> Cross-border risks may increase the market and credit risks that the Issuer faces. Currency fluctuations may adversely affect the Issuer's results of operations.</li> <li>• <b>Operational risks:</b> The Issuer is exposed to a wide variety of operational risks, including information technology risk. The Issuer may suffer losses due to employee misconduct.</li> <li>• <b>Risk management:</b> The Issuer's risk management procedures and policies may not always be effective, and may not fully mitigate its risk exposure in all markets or against all types of risk.</li> <li>• <b>Legal and regulatory risks:</b> The Issuer faces significant legal risks in its businesses. Regulatory changes may</li> </ul>

		<p>adversely affect the Issuer's business and ability to execute its strategic plans.</p> <ul style="list-style-type: none"> <li>• <b>Competition risks:</b> The Issuer faces intense competition in all financial services markets and for the products and services it offers.</li> <li>• <b>Risks relating to strategy:</b> The Issuer may not achieve all of the expected benefits of its strategic initiatives.]</li> </ul> <p><i>[Insert the following if the Issuer is CSi]</i></p> <ul style="list-style-type: none"> <li>• <b>[Liquidity risk:</b> The Issuer is subject to the risk that it is unable to fund assets and meet obligations as they fall due under both normal and stressed market conditions.</li> <li>• <b>Market risk:</b> The Issuer is subject to the risk of loss arising from adverse changes in interest rates, foreign currency rates, equity prices, commodity prices and other relevant parameters, such as market volatility.</li> <li>• <b>Currency risk:</b> The Issuer is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.</li> <li>• <b>Credit risk:</b> The Issuer may suffer significant losses as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty.</li> <li>• <b>Country risk:</b> The Issuer is subject to the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity and/or currency markets.</li> <li>• <b>Settlement risk:</b> The Issuer is subject to settlement risk where the settlement of a transaction results in timing differences between the disbursement of cash or securities and the receipt of countervalue from the counterparty.</li> <li>• <b>Operational risk:</b> The Issuer is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or from external events.</li> <li>• <b>Legal risks:</b> The Issuer faces significant legal risks in its businesses.</li> <li>• <b>Reputational risk:</b> Reputational risk may arise from a variety of sources such as the nature or purpose of a proposed transaction, the identity or nature of a potential client, the regulatory or political climate in which the business will be transacted or significant public attention surrounding the transaction itself.]</li> </ul>
<p><b>D.3</b></p>	<p><b>Key risks that are specific to the Securities</b></p>	<p>The Securities are subject to the following key risks:</p> <ul style="list-style-type: none"> <li>• A secondary market for the Securities may not develop and, if it does, it may not provide the investors with liquidity and may not continue for the life of the Securities. Illiquidity may have an adverse effect on the market value of the</li> </ul>

		<p>Securities.</p> <ul style="list-style-type: none"> <li>• The issue price of the Securities may be more than the market value of such Securities as at the issue date, and more than the price at which the Securities can be sold in secondary market transactions.</li> <li>• The market value of the Securities and the amount payable or deliverable at maturity depend on the performance of the underlying asset(s). The performance of an underlying asset may be subject to sudden and large unpredictable changes over time (known as "volatility"), which may be affected by national or international, financial, political, military or economic events or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.</li> <li>• The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an investor's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors.</li> <li>• In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal, upon certain events having occurred in relation to any underlying asset(s) or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the amount payable may be less than its original purchase price and could be as low as zero.</li> <li>• Following early redemption of Securities, investors may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.</li> <li>• [During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate payable on the Securities. As such, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities.]</li> <li>• [<i>Include if participation is greater than 100 per cent.:</i> If the redemption amount or settlement amount or any other amount payable under the Securities depends on the performance of the underlying asset(s) and is multiplied by a leverage factor which is over 100 per cent., investors may participate disproportionately in the performance of the underlying asset(s). Due to this leverage effect, the Securities will represent a very speculative and risky form of investment since any loss in the value of the underlying</li> </ul>
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		<p>asset(s) carries the risk of a correspondingly higher loss in the Securities.]</p> <ul style="list-style-type: none"> <li>• [If the Securities provide that any amount payable is subject to a cap, an investor's ability to participate in any change in the value of the underlying asset(s) over the term of the Securities will be limited notwithstanding any positive performance of the underlying asset(s) above such cap. Accordingly, the return on the Securities may be significantly less than if an investor had purchased the underlying asset(s) directly.]</li> <li>• Investors will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any underlying asset referenced by the Securities.</li> <li>• Investors may be exposed to currency risks because the underlying asset(s) may be denominated in a currency other than the currency in which the Securities are denominated, or the Securities and/or underlying asset(s) may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease based on fluctuations in those currencies.</li> <li>• The Issuer may apply any consequential postponement of, or any alternative provisions for, valuation of an underlying asset following certain disruption events in relation to such underlying asset, each of which may have an adverse effect on the value of the Securities.</li> <li>• The Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain adjustment events or other events affecting the Issuer's hedging arrangements or the underlying asset(s), or may early redeem the Securities at an amount which may be less than the initial investment.</li> <li>• In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the Calculation Agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of the Securities and could result in their early termination.</li> <li>• <i>[Include if "Jurisdictional Event" is applicable:</i> The amount(s) payable under the Securities may be reduced if the value of the proceeds of the Issuer's (or its affiliates') hedging arrangements in relation to the underlying asset(s) are reduced as a result of various matters relating to risks connected with certain countries.]</li> <li>• The Issuer is subject to a number of conflicts of interest, including: (a) in making certain calculations and determinations, there may be a difference of interest between the investors and the Issuer, (b) in the ordinary course of its business the Issuer (or an affiliate) may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the related derivatives, which may affect the market price, liquidity or</li> </ul>
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		value of the Securities, and (c) the Issuer (or an affiliate) may have confidential information in relation to the underlying asset(s) or any derivative instruments referencing them which may be material to an investor, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose.
<b>D.6</b>	<b>Risk warning that investors may lose value of entire investment or part of it</b>	<p><b>Investors may lose up to all of their investment if one or more of the following occurs: (a) the Securities do not provide for scheduled repayment in full of the issue or purchase price at maturity or upon mandatory early redemption or optional early redemption of the Securities, (b) the Issuer fails and is unable to make payments owing under the Securities, (c) any adjustments are made to the terms and conditions of the Securities following certain events affecting the Issuer's hedging arrangements or the underlying asset(s), that result in the amount payable or shares delivered being reduced, or (d) investors sell their Securities prior to maturity in the secondary market at an amount that is less than the initial purchase price.</b></p> <p>See also Element D.3 above.</p>
<b>Section E - Other</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds:</b>	[Not applicable; the Securities are not being publicly offered.]/[Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements).]/[The Issuer intends to use the net proceeds from the offer of the Securities for the following purpose[s]: <i>[specify use of proceeds]</i> .]
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	<p>[Not applicable; the Securities are not being publicly offered.]/ [Not applicable; the offer of the Securities is not subject to any conditions.]/[The Securities are offered subject to the following conditions:</p> <p>[The offer of the Securities is conditional on their issue.]</p> <p>[The offer may be cancelled if the [Aggregate Nominal Amount]/[aggregate number of Securities] purchased is less than [●], or if the Issuer or the [relevant] Distributor determines that certain circumstances have arisen that makes it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions.]</p> <p>[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the issue date.]</p> <p>[The [maximum]/[minimum] number of Securities each individual investor may subscribe for is [●].]</p> <p>[Payments for the Securities shall be made to the [relevant] Distributor [on [●]],[such date as the [relevant] Distributor may specify]/[in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally.]]</p>

Summary

<b>E.4</b>	<b>Interests material to the issue/offer:</b>	Fees shall be payable to the Dealer. The Issuer is subject to conflicts of interest between its own interests and those of holders of Securities, as described in Element D.3 above.
<b>E.7</b>	<b>Estimated expenses:</b>	[Not applicable; there are no estimated expenses charged to the investor by the Issuer.] [The expenses charged to the investor will be [ <i>specify amount</i> ].]

## RISK FACTORS

**Warning: The terms and conditions of certain Securities issued under this Base Prospectus may not provide for scheduled repayment in full of the issue or purchase price at maturity. In such case, you may lose some or all of your original investment.**

**Even if the relevant Securities do provide for scheduled repayment in full of the issue or purchase price at maturity or upon mandatory early redemption or optional early redemption of the Securities (in whole or in part), you will still be exposed to the credit risk of the Issuer and will lose up to the entire value of your investment if they either fail or are otherwise unable to meet their payment obligations.**

**You may also lose some or all of your investment if:**

- **you sell your Securities prior to maturity in the secondary market at an amount that is less than your initial purchase price; or**
- **your Securities are redeemed early under their terms and conditions at the discretion of the Issuer and the Early Payment Amount paid to you is less than the initial purchase price.**

### 1. **General considerations**

The purchase of Securities involves substantial risks and an investment in the Securities is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them (either alone or in conjunction with an appropriate financial adviser) to evaluate the risks and merits of an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. The relevant Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction.

Before making any investment decision, prospective investors in the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks involved.

The Issuers believe that the factors described below may affect their abilities to fulfill their respective obligations under the Securities. Most of these factors are contingencies which may or may not occur and which could have a material adverse effect on the relevant Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return investors will receive on the Securities. The Issuers do not express a view on the likelihood of any such contingency occurring.

The Issuers believe that the factors described below are material for the purpose of assessing the market risks associated with the Securities and represent the material risks inherent in investing in the Securities, but these are not the only risks that the Issuers face or that may arise under the Securities. There will be other risks that the Issuers do not currently consider to be material, or risks that the Issuers are currently not aware of, or risks that arise due to circumstances specific to the investor, and the Issuers do not represent that the statements below regarding the risks of holding any Securities are exhaustive.

More than one investment risk may have simultaneous effect with regard to the value of the Securities and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of Securities.

2. **Risks associated with the creditworthiness of the relevant Issuer**

Securities are general unsecured obligations of the relevant Issuer. Securityholders are exposed to the credit risk of the relevant Issuer. The Securities will be adversely affected in the event of a default, reduced credit rating or deterioration in the solvency of the relevant Issuer.

The profitability of the relevant Issuer will be affected by, among other things, changes in global economic conditions, inflation, interest/exchange rates, capital risk, liquidity risk, market risk, credit risk, risks from estimates and valuations, risks relating to off-balance sheet entities, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks. These risks are discussed in further detail below.

These risk factors should be read together with (a) the risk factors in respect of CS listed on pages 37 to 45 of the Annual Report 2012 (as defined in the section headed "Documents Incorporated By Reference" in this Base Prospectus) and (b) pages 7 to 8 and 111 to 127 of the CSi 2012 Annual Report (as defined in the section headed "Documents Incorporated By Reference" in this Base Prospectus). Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the relevant Issuer's ability to fulfil its obligations under them.

3. **Risks relating to Securities generally**

(a) **Loss of investments**

If the Securities do not provide for scheduled repayment in full of an amount at least equal to the issue or purchase price, investors may lose all or part of their investment.

Securities are not deposits, and are not covered by any deposit insurance or protection scheme.

(b) **Limited Liquidity**

A secondary market for the Securities may not develop and if one does develop, it may not provide the holders of the Securities with liquidity or may not continue for the life of the Securities. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities. Illiquidity may have a severely adverse effect on the market value of Securities.

The relevant Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. The market for Securities may be limited. The only way in which a Securityholder can realise value from a Security prior to its maturity or expiry (other than in the case of an American style Warrant) is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its Issue Price even though the value of any Underlying Asset may not have changed since the Issue Date. To the extent that Warrants of a particular issue are exercised, the number of Warrants remaining outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants.

Any secondary market price quoted by the relevant Issuer may be affected by several factors including, without limitation, prevailing market conditions, credit spreads and the time to maturity. Accordingly, the purchase of Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Any investor in the Securities must be prepared to hold such Securities for an indefinite period of time or until redemption or expiry of the Securities.

**(c) The Issue Price may be more than the Securities' market value**

The Issue Price in respect of any Securities specified in the relevant Final Terms may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price in respect of any Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

**(d) The market value of Securities may be highly volatile**

Where the Securities reference any Underlying Asset(s), the Securityholders are exposed to the performance of such Underlying Asset(s). The price, performance or investment return of the Underlying Asset(s) may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of an Underlying Asset may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.

**(e) CREST Depository Interests ("CDIs")**

Investors in CDIs will not be the legal owners of the Securities to which such CDIs relate (such Securities being "**Underlying Securities**"). CDIs are separate legal instruments from the Underlying Securities and represent indirect interests in the interests of the CREST Nominee in such Underlying Securities. CDIs will be issued by the CREST Depository to investors and will be governed by English law.

The Underlying Securities (as distinct from the CDIs representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through the Relevant Clearing System. Rights in the Underlying Securities will be held through custodial and depository links through the Relevant Clearing System. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the Relevant Clearing System in or through which the Underlying Securities are held.

Rights in respect of the Underlying Securities cannot be enforced by holders of CDIs except indirectly through the CREST Depository and CREST Nominee who in turn can enforce rights indirectly through the intermediary depositories and custodians described above. The enforcement of rights in respect of the Underlying Securities will therefore be subject to the local law of the relevant intermediary.

These arrangements could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

If a matter arises that requires a vote of Securityholders, Credit Suisse may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Holders of CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual (April 2008) issued by Euroclear UK & Ireland Limited and as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules (contained in the CREST Manual) applicable to the CREST International Settlement

## Risk Factors

Links Service. Holders of CDIs must comply in full with all obligations imposed on them by such provisions.

Investors in CDIs should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by holders of CDIs and limitations on the liability of the CREST Depository as issuer of the CDIs. Holders of CDIs may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them.

Investors in CDIs should note that holders of CDIs may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Underlying Securities through the CREST International Settlement Links Service.

Investors in CDIs should note that none of the relevant Issuer, any Dealer or any Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders acting in connection with CDIs or for the respective obligations of such intermediaries, participants or accountholders under the rules and procedures governing their operations.

### (f) **Tax**

Potential investors in the Securities should take note of the information set out in the section headed "Taxation" of this Base Prospectus. Potential investors in the Securities should conduct such independent investigation and analysis regarding the tax treatment of the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the Securities. The level and basis of taxation on the Securities and on the Securityholders and any reliefs from such taxation depend on the Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders. Potential Securityholders will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption, exercise or expiry or enforcement of the Securities.

Potential investors in CDIs should take note of the information set forth in the section headed "Taxation" of this Base Prospectus.

Potential investors in CDIs should conduct such independent investigation and analysis regarding the tax treatment of the CDIs as they deem appropriate to evaluate the merits and risks of an investment in the CDIs. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the CDIs.

The level and basis of taxation on the CDIs and on the holders of CDIs and any relief from such taxation depend on the individual circumstances of holders of CDIs and could change at any time. This could have adverse consequences for holders of CDIs. Potential holders of CDIs will therefore need to consult their tax advisers to determine the specific tax consequences of the purchase, ownership or transfer of CDIs and the redemption or enforcement of Underlying Securities.

### (g) **The Securities may be redeemed prior to their scheduled maturity**

In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal, upon certain events having

occurred in relation to any Underlying Asset(s) or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the Early Payment Amount payable may be less than its original purchase price and could be as low as zero.

Following early redemption of Securities, the Holders of such Securities may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

(h) **Return at Maturity / Loss of investment**

Securities are "capital at risk" investment unless (i) the Redemption Amount or Settlement Amount (as applicable) payable at maturity or a scheduled early redemption is at least 100 per cent. of the Nominal Amount, Specified Denomination or Issue Price (as applicable), and (ii) if a Knock-in Event is applicable, a Knock-in Event does not occur.

Even where the Redemption Amount or Settlement Amount (as applicable) is at least 100 per cent. of the Nominal Amount, Specified Denomination or Issue Price (as applicable), if a Knock-in Event is applicable and a Knock-in Event occurs, Securities will be capital at risk except:

- (i) in the case of Trigger Securities, Trigger Yield Securities, Trigger Return Securities, Callable Trigger Yield Securities or Callable Trigger Return Securities, if a Trigger Event occurs and the Trigger Barrier Redemption Amount is at least 100 per cent. of the Nominal Amount, Specified Denomination or Issue Price (as applicable); or
- (ii) in the case of Callable Securities, Callable Yield Securities, Callable Return Securities, Callable Trigger Yield Securities or Callable Trigger Return Securities, if the call option is exercised and the Optional Redemption Amount is at least 100 per cent. of the Nominal Amount, Specified Denomination or Issue Price (as applicable).

Where Securities are capital at risk, investors are exposed to a return that is linked to the level(s) of the relevant Underlying Asset(s), as specified in the relevant Final Terms, and may lose the value of all or part of their investment.

In any event, if the amount payable on redemption, exercise or expiry of the Securities is less than their issue price, investors may lose all or part of their investment.

Any "non-capital at risk" feature will not be applicable if Securities are redeemed or settled following an unscheduled early redemption event (see risk factor 4(b) (*Adjustments and early redemption or cancellation*)), or the Securities are sold prior to maturity or the Issuer defaults, and in any such case before the Maturity Date or, in the case of Warrants, the Settlement Date, and investors may lose the value of all or part of their investment.

4. **Risks associated with certain types of Securities**

(a) **Warrants**

Warrants involve complex risks which may include interest rate, share price, commodity, foreign exchange, inflation, time value and/or political risks. Investors should recognise that their Warrants may expire worthless. They should be prepared to sustain a total loss of the purchase price of the Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires. Assuming all other factors are held constant, the more a Warrant is "out-of-the-money" and the shorter

its remaining term to expiration, the greater the risk that the Securityholder will lose all or part of their investment.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon the investment, an investor in a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Asset(s). With respect to European-style Warrants, the only way in which a Securityholder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market.

The Settlement Amount determined in respect of any Warrants exercised at any time prior to expiration is typically expected to be less than the value that can be realised from the Warrants if such Warrants are sold at their then market price in an available secondary market at that time. The difference between the market price value and the determined Settlement Amount will reflect, among other things, a "time value" for the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the Underlying Asset(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Warrants, Securityholders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the Underlying Asset(s), (iii) the time remaining to expiration, (iv) the probable range of Settlement Amounts, (v) any change(s) in interim interest rates and relevant dividend yields, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the securities comprised in any relevant equity index and (viii) any related transaction costs.

In the case of the exercise of Warrants, there will be a time lag between the giving by the Securityholder of instructions to exercise and the determination of the Settlement Amount. It could be extended, particularly if there are limitations on the maximum amount of Warrants that may be exercised on one day. The prices or levels of the relevant Underlying Assets could change significantly during such time lag and decrease the Settlement Amount or reduce it to zero.

If so indicated in the relevant Final Terms, the relevant Issuer may limit the number of Warrants which may have the same Valuation Date (other than on the Expiration Date). In such event, the Valuation Date of Warrants forming the excess over the relevant maximum amount may be postponed.

**(b) Adjustments and early redemption or cancellation**

In certain circumstances, the relevant Issuer may make adjustments to the terms of the Securities (including substituting an Underlying Asset) or redeem or cancel them at their Early Payment Amount as determined by it without the consent of the Securityholders. Such Early Payment Amount may be less than the issue price of the Securities and could be as low as zero. In making any such adjustments or determinations, the Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment.

**(c) Optional redemption by the Issuer**

Any call option of the relevant Issuer in respect of the Securities may negatively impact their market value. During any period when the relevant Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The relevant Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities

being redeemed. The investor will not be able to participate in the performance of the Underlying Asset(s) following the effective date of the Issuer call option.

(d) **Use of leverage factors over 100 per cent.**

Where the terms and conditions of the Securities provide that the redemption amount or settlement amount or other amount payable (as applicable) of such Securities is based upon the performance of the Underlying Asset(s) and is multiplied by a leverage factor which is over 100 per cent., the holder may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the Underlying Asset(s). Due to this leverage effect, such Securities will represent a very speculative and risky form of investment since any loss in the value of the Underlying Asset(s) carries the risk of a correspondingly higher loss.

(e) **The effect of averaging**

If so provided in the applicable terms and conditions of the Securities, the amount payable (or deliverable) on the Securities (whether at maturity or otherwise) will be based on the arithmetic average of the applicable levels, prices, rates or other applicable values of the Underlying Asset(s) on each of the specified averaging dates, and not the simple performance of the Underlying Asset(s) over the term of the Securities. For example, if the applicable level, price, rate or other applicable value of the particular Underlying Asset(s) dramatically surged on the last of five averaging dates, the amount payable on the Securities may be significantly less than it would have been had the amount payable been linked only to the applicable level, price, rate or other applicable value of the particular Underlying Asset(s) on that last averaging date.

(f) **The potential for the value of the Securities to increase may be limited**

If the terms and conditions of the Securities provide that they are subject to a cap, a Securityholder's ability to participate in any change in the value of the Underlying Asset(s) over the term of the Securities will be limited, no matter how much the level, price, rate or other applicable value of the Underlying Asset(s) may rise beyond the cap level over the life of the Securities. Accordingly, a Securityholder's return on the Securities may be significantly less than if the Securityholder had purchased the Underlying Asset(s) directly.

In addition, if the upside participation rate specified in the terms and conditions of the Securities is less than 100 per cent. and at maturity the final level, price, rate or other applicable value of the Underlying Asset(s) exceeds the initial level, price, rate or other applicable value of the Underlying Asset(s), a Securityholder's return on the Securities may be significantly less than if the Securityholder had purchased the Underlying Asset(s) directly. This is because an upside participation rate of less than 100 per cent. will have the effect of reducing a Securityholder's exposure to any positive return on the Underlying Asset(s).

(g) **Interest Rate Risks**

Where Securities bear interest at a fixed rate, subsequent changes in market interest rates may adversely affect the value of the Securities.

Where interest on Securities is subject to floating rates of interest that will change subject to changes in market conditions, such changes could adversely affect the interest amount(s) received on the Securities.

*Proposals to reform LIBOR and other benchmark indices*

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the administrator, (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is

## Risk Factors

calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transactions data. Investors should be aware that:

- any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than what it would otherwise be;
- if the applicable rate of interest is calculated with reference to a currency or tenor which is discontinued, such rate of interest may then be determined by the Calculation Agent in its discretion; and
- the administrator of LIBOR will not have any involvement in the Securities and may take any actions in respect of LIBOR without regard to the effect of such actions on the Securities.

Any of the above could have a material adverse effect on the value of, and the amount payable under, any Securities which are linked to a LIBOR rate.

Investors should also note that the Euro Interbank Offered Rate ("**EURIBOR**") and other so-called "benchmarks" have also been the subject of increased scrutiny and proposals for reform by a number of international authorities and other bodies. Whether any of these proposals will be implemented is currently unclear. However, as with changes to LIBOR, any significant changes to EURIBOR or other benchmark could have a material adverse effect on the value of, and the amount payable under, any Securities which are linked to a EURIBOR rate or other benchmark (as applicable).

### 5. **Risks associated with Securities that are linked to Underlying Asset(s)**

#### (a) **Past performance of an Underlying Asset is not indicative of future performance**

Any information about the past performance of an Underlying Asset at the time of the issuance of the Securities should not be regarded as indicative of the range of, or trends in, fluctuations in such Underlying Asset that may occur in the future. The level, price, rate or other applicable value of an Underlying Asset (and of components comprising such Underlying Asset) may go down as well as up throughout the term of the Securities. Such fluctuations may affect the value of the Securities. There can be no assurance as to the future performance or movement of any Underlying Asset. Accordingly, before investing in the Securities, investors should carefully consider whether any investment linked to one or more relevant Underlying Assets is suitable for them.

#### (b) **No rights of ownership in an Underlying Asset**

Potential investors in the Securities should be aware that an Underlying Asset will not be held by the Issuer for the benefit of the Securityholders of such Securities and, as such, Securityholders will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Underlying Asset referenced by such Securities.

#### (c) **Currency Risk**

Investors may be exposed to currency risks because (i) an Underlying Asset may be denominated or priced in currencies other than the currency in which the Securities are denominated, or (ii) the Securities and/or such Underlying Asset may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease as a result of fluctuations in those currencies.

#### (d) **Adjustment or alternative provisions for valuation of an Underlying Asset**

If the Issuer determines that any form of disruption event in relation to an Underlying Asset has occurred which affects the valuation of such Underlying Asset, the Issuer may apply any consequential adjustment of, or any alternative provisions for, valuation of such Underlying Asset provided in the terms and conditions of the Securities, including a postponement in the valuation of such Underlying Asset and/or a determination of the value of such Underlying Asset by the Issuer in its discretion, acting in good faith and in a commercially reasonable manner, each of which may have an adverse effect on the value of the Securities.

(e) **Issuer determination in respect of an Underlying Asset, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption**

If the Issuer determines that any form of adjustment event in relation to an Underlying Asset has occurred, the Issuer may adjust the terms and conditions of the Securities (without the consent of the Securityholders) or may procure the early redemption of the Securities prior to their scheduled maturity date, in each case, in accordance with such terms and conditions. In the event of such early redemption, the Issuer will pay the Early Payment Amount in respect of the Securities, which will be determined based on the fair market value of such Securities immediately prior to such redemption (which may be zero), taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (if "Deduction for Hedge Costs" is specified to be applicable in the relevant Final Terms) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner. Potential investors in the Securities should be aware that it is likely that this Early Payment Amount will be less than their initial investment. Following any such early redemption of the Securities, Securityholders may not be able to reinvest the proceeds at any effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors in the Securities should consider reinvestment risk in light of other investments available at that time.

(f) **Emerging markets risks**

An Underlying Asset may include an exposure to emerging markets. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

- (i) *Event Risk:* On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the performance of an Underlying Asset can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which such Underlying Asset is issued or traded.
- (ii) *Political Risk:* Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform,

political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For Securityholders, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the performance of an Underlying Asset linked to such countries.

- (iii) *Economic Risk:* The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign Securityholders. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well-regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of an Underlying Asset linked to a particular emerging market.
- (iv) *Credit Risk:* Emerging markets sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country. Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging markets countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, U.S. generally accepted accounting principles.
- (v) *Currency Risk:* An Underlying Asset may be denominated in a currency other than U.S. dollars, euro or pounds sterling. The weakening of a country's currency relative to the U.S. dollar or other benchmark currencies will negatively affect the value (in U.S. dollar or such other benchmark currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign

exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

- (vi) *Market Risk:* The emerging equity and debt markets of many emerging markets countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets. Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.
- (vii) *Regulatory/Legal Risk:* In emerging market countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Securityholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Securityholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.
- (viii) *Trade Settlement, Processing and Clearing:* Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositaries, among others. The registration, record-keeping and transfer of Securities may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the relevant Issuer will settle trades in emerging markets securities in accordance with the currency market practice developed for such transactions by the Emerging Markets Traders Association. Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and

during the interim the market price of any Underlying Assets and in turn the value of the Securities, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

(g) **Jurisdictional Event**

The amount payable in respect of Securities which are linked to an Underlying Asset to which "Jurisdictional Event" is specified to be applicable may be reduced if the value of the proceeds of the relevant Issuer's (or its affiliates') hedging arrangements in relation to such Underlying Asset are reduced as a result of various matters (each described as a "**Jurisdictional Event**") relating to risks connected with the relevant country or countries specified in the terms and conditions of the Securities.

(h) **Occurrence of Additional Disruption Events**

Additional Disruption Events in respect of an Underlying Asset may include events which result in the Issuer incurring material costs for performing its obligations under the Securities due to a change in applicable law or regulation, the inability or a materially increased cost of the Issuer and/or its affiliates to maintain or enter into hedging arrangements in respect of such Underlying Asset and the Securities. Subject to the terms and conditions for the Securities which determines the types of Additional Disruption Events which are applicable, upon determining that an Additional Disruption Event has occurred, the Issuer has discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Securities, and/or (ii) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(i) **Correction of published prices or levels**

In the event that the relevant published prices or levels of an Underlying Asset are subsequently corrected and such correction is published by the entity or sponsor responsible for publishing such prices or levels, subject to such correction and publication occurring prior to a specified cut-off date in respect of the relevant Securities, such corrected prices or levels may be taken into account by the Issuer in any determination in relation to the Securities and/or the Issuer may make adjustments to the terms of the Securities, subject to the provisions of the relevant terms and conditions for the Securities. Where such corrected prices or levels are lower than the original levels or prices, this may have an adverse effect on the value of the Securities.

(j) **Risks associated with Securities linked to a basket of Underlying Assets**

The following are particular risks associated with Securities linked to a basket of Underlying Assets:

- (i) If the basket constituents are high correlated, any move in the performance of the basket constituents will exaggerate the impact on the value of the Securities: Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though basket constituents may not

appear to be correlated based on past performance, they may nevertheless suffer the same negative performance following a general downturn.

- (ii) The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents: Even in the case of a positive performance by the other basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, depending on the terms and conditions of the relevant Securities.
- (iii) A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent: The performance of a basket that includes a fewer number of basket constituents will generally be more affected by changes in the value of any particular basket constituent than a basket that includes a larger basket.
- (iv) *A change in composition of a basket may have an adverse effect on basket performance:* Where the terms and conditions of the Securities grant the relevant Issuer the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket.

(k) **Risks associated with physical delivery of Underlying Asset(s)**

In the case of Securities where physical settlement is specified as applicable in the relevant Final Terms, such Securities shall be redeemed at their maturity by delivering Underlying Asset(s) to the Securityholders and the Securityholders will receive such Underlying Asset(s) rather than a monetary amount upon maturity. Securityholders will, therefore, be exposed to the issuer of such Underlying Asset(s) and the risks associated with such Underlying Asset(s).

The value of each such Underlying Asset to be delivered, together with any fractional cash amount, to a Securityholder may be less than the purchase amount paid by such Securityholder for the Securities and the principal amount (if any) of the relevant Securities. In the worst case, the Underlying Asset(s) to be delivered may be worthless. Also, prospective investors should consider that any fluctuations in the price of the Underlying Asset(s) to be delivered after the end of the term of the Securities will be borne by the Securityholders until the respective actual delivery. This means that a Securityholder's actual loss or gain and final return on the Securities can only be determined after delivery of the Underlying Asset(s) to such Securityholder. Further, Securityholders may be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of Underlying Asset(s).

6. **Risks associated with Securities that are linked to one or more particular types of Underlying Assets**

(a) **Risks associated with Shares (including Depositary Receipts)**

- (i) *Factors affecting the performance of Shares may adversely affect the value of Securities*

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (ii) *Actions by the issuer of a Share may adversely affect the Securities*

The issuer of a Share will have no involvement in the offer and sale of the Securities and will have no obligation to any Securityholders. The issuer of a Share may take any actions in respect of such Share without regard to the

interests of the Securityholders, and any of these actions could adversely affect the market value of the Securities.

- (iii) *Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Securities*

The adjustment events referred to in risk factor 5(e) (*Issuer determination in respect of an Underlying Asset, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption*) include, in respect of Shares, Potential Adjustment Events and Extraordinary Events. Potential Adjustment Events include (A) a sub-division, consolidation or re-classification of Shares, (B) an extraordinary dividend, (C) a call of Shares that are not fully paid, (D) a repurchase by the Share issuer, or an affiliate thereof, of the Shares, (E) a separation of rights from Shares, (F) any event having a dilutive or concentrative effect on the value of Shares, or (G) the amendment or supplement to the terms of the deposit agreement in respect of Shares which are Depositary Receipts. Extraordinary Events include (I) a delisting of Shares on an exchange, (II) an insolvency or bankruptcy of the issuer of the Shares, (III) a merger event entailing the consolidation of Shares with those of another entity, (IV) a nationalisation of the issuer of the Shares or transfer of Shares to a governmental entity, or (V) a tender offer or takeover offer that results in transfer of Shares to another entity.

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to a Share or Share issuer, the Issuer has discretion to make certain determinations to account for such event including to (1) make adjustments to the terms of the Securities, and/or (2) (in the case of an Extraordinary Event) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

- (iv) *Loss of return of dividends in respect of most Securities linked to Shares*

Unless the terms and conditions of the Securities specify otherwise, holders of such Securities in respect of which an Underlying Asset is a Share will not participate in dividends or other distributions paid on such Share. Therefore, the return on such Securities will not reflect the return a Securityholder would have realised had it actually owned such Shares and received the dividends on them.

- (v) *Additional risks associated with Securities linked to Depositary Receipts as Underlying Assets*

- (A) *Exposure to risk that redemption amounts do not reflect direct investment in the shares underlying the Depositary Receipts*

The redemption amount or settlement amount payable (or Share Amount deliverable) on Securities that reference Depositary Receipts may not reflect the return a Securityholder would realise if he or she actually owned the relevant shares underlying the Depositary Receipts and received the dividends paid on those shares because the price of the Depositary Receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, a Securityholder of Securities that reference Depositary Receipts as Underlying Assets may receive a lower payment upon redemption of such Securities than such Securityholder would have received if he or she had invested in the shares underlying the Depositary Receipts directly.

- (B) *Exposure to risk of non-recognition of beneficial ownership*

The legal owner of shares underlying the Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it cannot be ruled out that the corresponding jurisdiction does not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free transfer is issued with respect to the shares underlying the Depositary Receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, a holder of such Depositary Receipt loses any rights under the underlying shares represented by the Depositary Receipt, and this would in turn have an adverse effect on Securities with such Depositary Receipt as an Underlying Asset.

(C) *Potential exposure to risks of emerging markets*

Depositary receipts often represent shares of issuers based in emerging market jurisdictions. See risk factor 5(f) (*Emerging markets risks*).

(D) *Exposure to risk of non-distributions*

The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its Depositary Receipts, which can affect the value of the Depositary Receipts and this would in turn have an adverse effect on Securities with such Depositary Receipt as an Underlying Asset.

(b) **Risks associated with Equity Indices**

(i) *Factors affecting the performance of Indices may adversely affect the value of the Securities*

Indices are comprised of a synthetic portfolio of shares or other assets, and as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other Components that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(ii) *Returns on Securities will not be the same as a direct investment in futures or option on the Index or in the underlying Components of the Index*

An investment in the Securities is not the same as a direct investment in futures or option contracts on any or all of the Indices nor any or all of the constituents comprised in each Index. In particular, investors will not benefit directly from any positive movements in any Index nor will investors benefit from any profits made as a direct result of an investment in each Index. Accordingly, changes in the performance of any Index may not result in comparable changes in the market value of the Securities.

(iii) *Loss of return of dividends in respect of most Securities linked to Equity Indices*

The rules of an Index might stipulate that dividends distributed on its Components do not lead to a rise in the index level, for example, if it is a "price" index. As a result, holders of Securities linked to such Index would lose the benefit of any dividends paid by the Components of the Index and would underperform a position where they invested directly in such Components or where they invested in a "total return" version of the Index. Even if the rules of

the relevant underlying Index provide that distributed dividends or other distributions of the Components are reinvested in the Index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Index.

- (iv) *A change in the composition or discontinuance of an Index could have a negative impact on the value of the Securities*

The sponsor of an Index can add, delete or substitute the Components of such Index or make other methodological changes that could change the level of one or more Components. The changing of the Components of an Index may affect the level of such Index as a newly added Component may perform significantly worse or better than the Component it replaces, which in turn may adversely affect the value of the Securities. The sponsor of an Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Securities, and any of these actions could have an adverse effect on the value of the Securities.

- (v) *Occurrence of Index Adjustment Events*

Upon determining that an Index Adjustment Event has occurred in relation to an Index, the Issuer has the discretion to make certain determinations and adjustments to account for such event including to (A) make adjustments to the terms of the Securities, and/or (B) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(c) **Risks associated with Commodities and Commodity Indices**

- (i) *Commodity prices may be more volatile than other asset classes*

Trading in commodities may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in interest and exchange rates. Commodities markets may be subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of entities who are neither end-users or producers and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

Certain emerging market countries – such as China – have become very significant users of certain commodities. Therefore, economic developments in such jurisdictions may have a disproportionate impact on demand for such commodities.

Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. Therefore, developments in relation to such countries or producers could have a disproportionate impact on the prices of such commodities.

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant commodity, and therefore sharply reduce the value of any Securities linked to such commodity.

- (ii) *Suspension or disruptions of market trading in Commodities and related futures contracts may adversely affect the value of the Securities.*

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular commodity contract, which could adversely affect the value of a Commodity or a Commodity Index and, therefore, the value of any Securities linked to such Commodity or Commodity Index.

- (iii) *Legal and regulatory changes*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer and/or any of its affiliates to hedge the Issuer's obligations under the Securities. Such legal and regulatory changes could lead to the early redemption of the Securities or to the adjustment of the terms and conditions of the Securities. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of the Securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides for substantial changes to the regulation of the futures and over-the-counter ("**OTC**") derivative markets, was enacted in July 2010. The Dodd-Frank Act requires regulators, including the Commodity Futures Trading Commission (the "**CFTC**"), to adopt regulations in order to implement many of the requirements of the legislation. While the CFTC has proposed many of the required regulations and has adopted certain final regulations, the ultimate nature and scope of the regulations cannot yet be determined. Under the Dodd-Frank Act, the CFTC has approved a final rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives on physical commodities. Such rule has been scheduled to come into effect in October 2012, but was struck down by a U.S. Federal court in September of that year. It is presently unclear what provisions the CFTC will propose in respect of position limits to meet the court's objections. In addition, the CFTC has made certain changes to the regulations that subject many transactions utilizing swaps to regulation as "commodity pools". While the full impact of such rules is not yet known, these regulatory changes are likely to restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives on physical commodities to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes are likely to increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers will also be required to be registered and will be subject to various regulatory requirements, including capital and margin requirements. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being

required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the prices of Commodities, which could in turn adversely affect the return on and value of the Securities. The adoption of position limit regulations may result in the occurrence of a "Change in Law" which is an Additional Disruption Event (see risk factor 5(h) (*Occurrence of Additional Disruption Events*)).

In addition, other regulatory bodies have proposed, or may in the future propose, legislation similar to that proposed by the Dodd-Frank Act or other legislation containing other restrictions that could adversely impact the liquidity of and increase costs of participating in the commodities markets. For example, the European Commission published a proposal to update the Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR), which propose regulations to establish position limits (or an alternative equivalent) on trading commodity derivatives, although the scope of any final rules and the degree to which member states will be required or permitted to adopt these regulations or additional regulations remains unclear. If these regulations are adopted or other similar regulations are adopted in the future, they could have an adverse effect on the prices of Commodities and the return on and value of the Securities.

- (iv) *Future prices of commodities within a Commodity Index that are different relative to their current prices may result in a reduced amount payable or deliverable upon redemption or exercise.*

Commodity contracts have a predetermined expiration date - a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, "rolling" the commodity contracts means that the commodity contracts that are nearing expiration (the "near-dated" commodity contracts) are sold before they expire and commodity contracts that have an expiration date further in the future (the "longer-dated" commodity contracts) are purchased. Investments in commodities apply "rolling" of the component commodity contracts in order to maintain an ongoing exposure to such commodities.

If the market for a commodity contract is in "backwardation", then the price of the longer-dated commodity contract is lower than in the near-dated commodity contract. The rolling therefore from the near-dated commodity contract to the longer-dated commodity contract creates a "roll yield", the amount of which will depend on the amount by which the unwind price of the former exceeds the spot price of the latter at the time of rolling. Conversely, if the market for a commodity contract is in "contango", then the price of the longer-dated contract is higher than the near-dated commodity contract. This could result in negative "roll yields".

As a result of rollover gains/costs that have to be taken into account within the calculation of such indices and under certain market conditions, such indices may outperform or underperform the underlying commodities contained in such indices. Furthermore, the prices of the underlying commodities may be referenced by the price of the current futures contract or active front contract and rolled into the following futures contract before expiry.

The value of Securities linked to a Commodity Index is, therefore, sensitive to fluctuations in the expected futures prices of the relevant commodities contracts comprising such Commodity Index. A Commodity Index may outperform or underperform its underlying commodities. In a "contango" market, this could result in negative "roll yields" which, in turn, could reduce the level of such Commodity Index and, therefore, have an adverse effect on the value of the Securities.

- (v) *Commodity Indices may include contracts that are not traded on regulated futures exchanges.*

Commodity Indices are typically based solely on futures contracts traded on regulated futures exchanges. However, a Commodity Index may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, for example, the U.S. Commodity Exchange Act of 1936, or other applicable statutes and related regulations that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated UK futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities, and the inclusion of such contracts in a Commodity Index, may be subject to certain risks not presented by, for example, U.S. or UK exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

- (vi) *A change in the composition or discontinuance of a Commodity Index could adversely affect the market value of the Securities*

The sponsor of a Commodity Index can add, delete or substitute the Components of such Commodity Index or make other methodological changes that could change the level of one or more Components. The changing of Components of any Commodity Index may affect the level of such Commodity Index as a newly added Component may perform significantly worse or better than the Component it replaces, which in turn may adversely affect the value of the Securities. The sponsor of a Commodity Index may also alter, discontinue or suspend calculation or dissemination of such Commodity Index. The sponsor of a Commodity Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of a Commodity Index may take any actions in respect of such Commodity Index without regard to the interests of investors in the Securities, and any of these actions could adversely affect the value of the Securities.

- (vii) *Continuation of calculation of Commodity Index Level upon the occurrence of a disruption event in relation to a Component*

If a disruption event occurs with respect to any Component included in a Commodity Index, the adjustment provisions included in the terms and conditions of the Securities will apply, including the determination by the Issuer of the value of the relevant disrupted Component and, in turn, the value of such Commodity Index on the date specified in such Securities. However, regardless of the disruption event, the sponsor of the Commodity Index may continue to calculate and publish the level of such Commodity Index. In such circumstances, investors in the Securities should be aware that the value of the Commodity Index determined by the Issuer upon the occurrence of a disruption event may not reflect the value of the Commodity Index as calculated and published by the sponsor of such Commodity Index for the relevant valuation date, nor would the Issuer be willing to settle, unwind or otherwise using any such published value while a disruption event is occurring with respect to any Component included in a Commodity Index. Any of these actions could have an adverse effect on the value of the Securities.

- (viii) *Occurrence of Commodity Index Adjustment Events*

Upon determining that a Commodity Index Adjustment Event has occurred in relation to a Commodity Index, the Issuer has the discretion to make certain determinations and adjustments to account for such event including to (A)

make adjustments to the terms of the Securities, and/or (B) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(d) **Risks associated with foreign exchange rates**

- (i) *Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities*

The performance of foreign exchange rates, currency units or units of account are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency. Any such measures could have a negative impact on the value of the Securities.

- (ii) *Currency exchange risks are heightened in the current climate of financial uncertainty*

Currency exchange risks can be expected to heighten in periods of financial turmoil. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than others with sudden and severely adverse consequences to the currencies of those regions. In addition, governments around the world have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. It is not possible to predict the effect of any future legal or regulatory action relating to exchange rates. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets - including the replacement of entire currencies with new currencies - may cause currency exchange rates to fluctuate sharply in the future, which could have a negative impact on the value of the Securities.

- (iii) *Occurrence of Index Adjustment Event in respect of Securities linked to an FX Index*

Upon determining that an Index Adjustment Event has occurred in relation to an FX Index, the Issuer has discretion to make certain determinations and adjustments to account for such event including to (A) make adjustments to the terms of the Securities, and/or (B) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(e) **Risks associated with ETFs**

- (i) *Where the Underlying Asset is an ETF, there is a risk that an ETF will not accurately track its underlying share or index*

Where the Securities are linked to an ETF and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Securities are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to

track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly.

- (ii) *Action by Fund Adviser, Fund Administrator or sponsor of an ETF may adversely affect the Securities*

The Fund Adviser, Fund Administrator or sponsor of an ETF will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The Fund Adviser, Fund Administrator or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the Securityholders, and any of these actions could adversely affect the market value of the Securities.

- (iii) *Determinations made by the Issuer in respect of Potential Adjustment Events and Extraordinary Events may have an adverse effect on the value of the Securities*

The adjustment events referred to in risk factor 5(e) (Issuer determination in respect of an Underlying Asset, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption) include, in respect of ETF Shares, Potential Adjustment Events and Extraordinary Events. Potential Adjustment Events include (A) a sub-division, consolidation or re-classification of ETF Shares, (B) an extraordinary dividend, (C) a repurchase by the ETF of the ETF Shares, (D) any event having a dilutive or concentrative effect on the value of the ETF Shares, or (E) the amendment or supplement to the terms of the deposit agreement in respect of ETF Shares which are Depositary Receipts. Extraordinary Events include (I) a delisting of ETF Shares on an exchange, (II) a merger event entailing the consolidation of ETF Shares with those of another entity, (III) a nationalisation of the ETF or transfer of ETF Shares to a governmental entity, or (IV) a tender offer or takeover offer that results in transfer of ETF Shares to another entity.

Upon determining that a Potential Adjustment Event or an Extraordinary Event has occurred in relation to an underlying ETF Share or ETF, the Issuer has the discretion to make certain determinations to account for such event including to (1) make adjustments to the terms of the Securities, and/or (2) (in the case of an Extraordinary Event) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(f) **Risks associated with Inflation Indices**

- (i) *The level of an Inflation Index may lag or otherwise not track the actual level of inflation in the relevant jurisdiction*

Inflation Indices may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by investors in the Securities in such jurisdiction. The value of the Securities which are linked to an Inflation Index may be based on a calculation made by reference to such Inflation Index for a month which is several months prior to the date of payment on the Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Securities.

- (ii) *Exposure to certain events in relation to an Inflation Index and the discretion of the Issuer*

Upon the occurrence of certain events in relation to an Inflation Index – e.g., the Inflation Index level has not been published or is discontinued or is corrected or such Inflation Index is rebased or materially modified – then,

depending on the particular event, the Issuer has discretion to determine the level, substitute the original Inflation Index, adjust the terms and conditions of the Securities or redeem the Securities. Any such event and consequent exercise of discretion by the Issuer may have an adverse effect on the value of the Securities.

(g) **Risks associated with Interest Rate Indices**

(i) *Factors affecting interest rates*

The performance of interest rates is dependent upon a number of factors, including supply and demand on the international money markets, which are influenced by measures taken by governments and central banks, as well as speculations and other macroeconomic factors.

(ii) *Occurrence of Index Adjustment Events in respect of an Interest Rate Index*

Upon determining that an Index Adjustment Event has occurred in relation to an Interest Rate Index, the Issuer has the discretion to make certain determinations and adjustments to account for such event including to (A) make adjustments to the terms of the Securities, and/or (B) cause an early redemption of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

(h) **Risks associated with Proprietary Indices**

Where an Underlying Asset is a Proprietary Index, such Proprietary Index may be composed or sponsored by a third party (the "**Index Creator**"). Securityholders should be aware of the following risks associated with a Proprietary Index:

(i) the rules of a Proprietary Index may be amended by the Index Creator. No assurance can be given that any such amendment would not be prejudicial to Securityholders. The Index Creator has no obligation to take into account the interests of Securityholders when determining, composing or calculating such Proprietary Index and the Index Creator can at any time, and in its sole discretion, modify or change the method of calculating such Proprietary Index or cease its calculation, publication or dissemination. Accordingly, actions and omissions of the Index Creator may affect the value of such Proprietary Index and, consequently, the value of the Securities. The Index Creator is under no obligation to continue the calculation, publication and dissemination of a Proprietary Index.

(ii) The value of a Proprietary Index is published subject to the provisions in the rules of such Proprietary Index. Neither the Index Creator nor the relevant publisher is obliged to publish any information regarding such Proprietary Index other than as stipulated in the rules of such Proprietary Index.

(iii) A Proprietary Index may be calculated so as to include certain deductions or adjustments that synthetically reflect certain factors which may include (A) the transaction and servicing costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain a series of direct investment positions to provide the same exposure to the constituents of such Proprietary Index, or (B) a notional fee representing the running and maintenance of such Proprietary Index. Such deductions will act as a drag on the performance of a Proprietary Index such that the level of such Proprietary Index would be lower than it would otherwise be, and this may result in an adverse effect on the value of the Securities.

7. **Risks associated with conflicts of interest between the relevant Issuer and holders of Securities**

(a) **Calculations and determinations under the Securities**

In making calculations and determinations with regard to the Securities, there may be a difference of interest between the Securityholders and the relevant Issuer. Save where otherwise provided in the terms and conditions, the relevant Issuer is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust for any investors and has no fiduciary obligations towards them. In particular, the relevant Issuer and its affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the relevant Issuer may have a negative impact on the value of the Securities.

Each of the relevant Issuer, the Dealer or any of their respective affiliates may have existing or future business relationships with each other (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Securityholder.

(b) **Hedging and dealing activities in relation to the Securities and Underlying Asset(s)**

In the ordinary course of its business the relevant Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Securities or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the relevant Issuer and/or any of its affiliates, the relevant Issuer and/or any of its affiliates may enter into transactions in or in respect of the Underlying Assets or related derivatives which may affect the market price, liquidity or value of the Securities and which could be adverse to the interest of the relevant Securityholders.

For example, the Issuer (itself or through an affiliate) may hedge the Issuer's obligations under the Securities by purchasing futures and/or other instruments linked to the Underlying Asset(s) or (if an Index) the stocks or other Components underlying the Underlying Asset. The Issuer (or affiliate) may adjust its hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the Underlying Asset(s) or (if applicable) the Components, at any time and from time to time, and may unwind the hedge by selling any of the foregoing on or before the maturity or settlement date (as applicable) for the Securities. The Issuer (or affiliate) may also enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to changes in the level, price, rate or other applicable value of the Underlying Asset(s) or (if applicable) the Components. Any of these hedging activities may adversely affect the level, price, rate or other applicable value of the Underlying Asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of underlying Components — and therefore the value of the Securities. It is possible that the relevant Issuer (or affiliate) could receive substantial returns with respect to such hedging activities while the value of the Securities may decline.

Moreover, the relevant Issuer (or affiliate) may also engage in trading in one or more of the Underlying Asset(s) or (if applicable) the Components or instruments whose returns are linked to the Underlying Asset or (if applicable) the Components, for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers. Any of these activities of the relevant Issuer (or affiliate) could adversely affect the level, price, rate or other applicable value of the Underlying Asset(s) — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the Components — and therefore, the value of the Securities. The relevant Issuer (or affiliate) may issue or underwrite, other securities or financial or derivative instruments with returns linked to changes in the level, price, rate or other applicable value of the Underlying Asset or (if applicable) one or more of the Components, as

## Risk Factors

applicable. By introducing competing products into the marketplace in this manner, the relevant Issuer (or affiliate) could adversely affect the value of the Securities.

(c) **Confidential information relating to the Underlying Assets**

The relevant Issuer and its affiliates (and any of their employees) may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Underlying Assets and any derivative instruments referencing them. None of the Issuers or its affiliates will be obliged (and may be subject to legal prohibition) to disclose any such information to an investor in the Securities, even where such information may be material to the decision by an investor as to whether or not to purchase the Securities.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which shall be deemed to be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

### 1. Documents incorporated by reference

The following documents are incorporated by reference and have been filed with the CSSF:

- (a) the Form 20-F of CS and the Group filed with the United States Securities and Exchange Commission (the "**SEC**") on 23 March 2012 (the "**Annual Report 2011**"), which contains the 2011 Annual Report of the Group within which there are the audited financial statements of CS for the year ended 31 December 2011 and a report of the Group's auditors;
- (b) the Form 20-F of CS and the Group filed with the SEC on 22 March 2013 (the "**Annual Report 2012**"), which contains the 2012 Annual Report of the Group within which there are (i) the audited financial statements of CS for the year ended 31 December 2012 and a report of the Group's auditors, and (ii) the audited financial statements of CS and its consolidated subsidiaries for the year ended 31 December 2012 and a report of Credit Suisse Group's auditors;
- (c) the Form 6-K/A of CS filed with the SEC on 22 March 2013 (the "**Form 6-K/A Dated 22 March 2013**"), which contains the restated Fourth Quarter Financial Report of the Group which accounts for recent litigation, within which there is unaudited information for the Group for the three and twelve months ended 31 December 2012;
- (d) the Form 6-K of CS filed with the SEC on 24 April 2013 (the "**Form 6-K Dated 24 April 2013**"), which contains the 2013 First Quarter Financial Release of the Credit Suisse Group within which there is (i) unaudited financial information for the Group for the three months ended 31 March 2013, and (ii) unaudited financial information for Credit Suisse Group for the three months ended 31 March 2013;
- (e) the Form 6-K of the Group filed with the SEC on 8 May 2013 (the "**Form 6-K Dated 8 May 2013**"), which contains the 2013 First Quarter Financial Report of Credit Suisse Group within which there is (i) unaudited information for the Group for the three months ended 31 March 2013, and (ii) unaudited information for Credit Suisse Group for the three months ended 31 March 2013;
- (f) CSi's Annual Report for the year ended 31 December 2011 (the "**CSi 2011 Annual Report**"). Financial information in the CSi Annual Reports has been audited; and
- (g) CSi's Annual Report for the year ended 31 December 2012 (the "**CSi 2012 Annual Report**").

### 2. Documents Incorporated by Reference Cross-Reference List

The table below sets out the relevant page references for the information incorporated into this Base Prospectus by reference:

- (a) Documents incorporated by reference in respect of CS

<b>Section Number</b>	<b>Section Heading</b>	<b>Sub-heading</b>	<b>Page(s)</b>
<b>Annual Report 2011</b>			
	Form 20-F	Definitions	5
		Sources	5
		Cautionary statement regarding forward-looking information	5
		Identity of directors, senior management and advisers	5
		Offer statistics and expected timetable	5
		Key information	5
		Information on the company	6
		Unresolved staff comments	6
		Operating and financial review and prospects	6-7
		Directors, senior management and employees	7-8
		Major shareholders and related party transactions	8
		Financial information	8
		The offer and listing	9
		Additional information	9-10
		Quantitative and qualitative disclosures about market risk	10
		Description of securities other than equity securities	10
		Defaults, dividend arrearages and delinquencies	10
		Material modifications to the rights of security holders	10
		Controls and procedures	10
		Audit committee financial expert	10
		Code of ethics	11
		Principal accountant fees and services	11
		Exemption from the listing standards for audit committee	11
		Purchases of equity securities by the issuer and affiliated purchasers	11
		Change in registrants' certifying accountant	11
		Corporate governance	11
		Financial statements	12
		Exhibits	12
<b>Exhibit to Annual Report 2011</b>			
	Index		0 (21 of the PDF

Section Number	Section Heading	Sub-heading	Page(s)
			file)
	Financial highlights		0 (22 of the PDF file)
I	Information on the Company	An integrated global bank	8-9
		Strategy	10-12
		Our businesses	13-24
		Organizational and regional structure	25-26
		Regulation and supervision	27-36
II	Operating and financial review	Operating environment	38-40
		Credit Suisse	41-44
		Core Results	45-54
		Key performance indicators	55
		Private Banking	56-64
		Investment Banking	65-70
		Asset Management	71-76
		Corporate Center	77
		Results Overview	78-79
		Assets under Management	80-82
		Critical accounting estimates	83-88
III	Treasury, Risk, Balance sheet and Off-balance sheet	Treasury management	90-109
		Risk management	110-134
		Balance sheet, off-balance sheet and other contractual obligations	135-138
IV	Corporate Governance and Compensation	Corporate Governance	140-172
		Compensation	173-208
V	Consolidated financial statements – Credit Suisse Group	Report of the Independent Registered Public Accounting Firm	211
		Consolidated financial statements, including:	213-220
		Consolidated statements of operations	213
		Consolidated balance sheets	214-215
		Consolidated statements of changes in equity	216-218
		Consolidated statements of comprehensive income	218
		Consolidated statements of cash flows	219-220
		Supplemental cash flow information	220
		Notes to the consolidated financial statements, including	221-354
		Summary of significant accounting policies	221-229
Litigation	333-340		

Documents Incorporated by Reference

<b>Section Number</b>	<b>Section Heading</b>	<b>Sub-heading</b>	<b>Page(s)</b>
		Controls and procedures	355
		Report of the Independent Registered Public Accounting Firm	356
VI	Parent company financial statements – Credit Suisse Group	Report of the Statutory Auditor	359-360
		Parent company financial statements, including:	361-362
		Statements of income	361
		Balance sheets	362
		Notes to the financial statements	363-373
		Proposed appropriation of retained earnings and capital distribution	374
		Report on the conditional increase of share capital	375
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Independent Registered Public Accounting Firm	379-380
		Consolidated financial statements, including:	381-388
		Consolidated statements of operations	381
		Consolidated balance sheets	382-383
		Consolidated statements of changes in equity	384-386
		Consolidated statements of comprehensive income	386
		Consolidated statements of cash flows	387-388
		Supplemental cash flow information	388
		Notes to the consolidated financial statements	389-464
		Controls and procedures	465
		Report of the Independent Registered Public Accounting Firm	466
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditor	469-470
		Financial review	471
		Parent company financial statements, including:	472-474
		Statements of income	472
		Balance sheets	473
		Off-balance sheet transactions	474
		Notes to the financial statements	475-482
		Proposed appropriation of retained earnings	483
IX	Additional information	Statistical information	486-505
		Other information	506-511
Appendix	Risk factors		A-4 – A-11

Section Number	Section Heading	Sub-heading	Page(s)
	List of abbreviations		A-12 – A-13
	Glossary		A-14 – A-17
	Foreign currency translation rates		A-19
	Financial calendar and contacts		A-20
	Cautionary statement regarding forward looking information		A-21
<b>Annual Report 2012</b>			
	Form 20-F	Definitions	6
		Sources	6
		Cautionary statement regarding forward-looking information	6
		Identity of directors, senior management and advisers	7
		Offer statistics and expected timetable	7
		Key information	7
		Information on the company	7-8
		Unresolved staff comments	8
		Operating and financial review and prospects	8-9
		Directors, senior management and employees	9
		Major shareholders and related party transactions	10
		Financial information	10
		The offer and listing	10
		Additional information	11
		Quantitative and qualitative disclosures about market risk	11
		Description of securities other than equity securities	12
		Defaults, dividend arrearages and delinquencies	12
		Material modifications to the rights of security holders	12
		Controls and procedures	12
		Audit committee financial expert	12
		Code of ethics	12
		Principal accountant fees and services	12
		Exemption from the listing standards for audit committee	12
		Purchases of equity securities by the issuer and affiliated purchasers	13

Documents Incorporated by Reference

Section Number	Section Heading	Sub-heading	Page(s)
		Change in registrants' certifying accountant	13
		Corporate governance	13
		Mine Safety Disclosure	13
		Financial statements	13
		Exhibits	14
		Signatures	15
<b>Exhibit to Annual Report 2012</b>			
	Financial Highlights		0 (22 of the PDF file)
	Index		2-3 (24-25 of the PDF file)
	Credit Suisse at a glance		8
I	Information on the Company	Strategy	10-12
		Our businesses	13-21
		Organizational and regional structure	22- 23
		Regulation and supervision	24-36
		Risk factors	37-45
II	Operating and financial review	Operating environment	48-50
		Credit Suisse	51-54
		Core Results	55-67
		Private Banking & Wealth Management	68-78
		Investment Banking	79-83
		Corporate Center	84
		Assets under Management	85-87
		Critical accounting estimates	88-94
III	Treasury, Risk, Balance sheet and Off-balance sheet	Liquidity and funding management	96-101
		Capital management	102-120
		Risk management	121-148
		Balance sheet, off-balance sheet and other contractual obligations	149-152
IV	Corporate Governance and Compensation	Corporate Governance	154-185
		Compensation	186-220
V	Consolidated financial statements – Credit Suisse Group	Report of the Independent Registered Public Accounting Firm	223
		Consolidated financial statements, including:	225-232
		Consolidated statements of operations	225
		Consolidated statements of comprehensive income	225
		Consolidated balance sheets	226- 227

Section Number	Section Heading	Sub-heading	Page(s)
		Consolidated statements of changes in Equity	228- 230
		Consolidated statements of cash flows	231- 232
		Supplemental cash flow information	232
		Notes to the consolidated financial statements, including:	233- 378
		Summary of significant accounting Policies	233- 242
		Litigation	357- 363
		Controls and procedures	379
		Report of the Independent Registered Public Accounting Firm to the General Meeting of Shareholders of Credit Suisse Group AG, Zurich	380
VI	Parent company financial statements – Credit Suisse Group	Report of the Statutory Auditor	383
		Report on Other Legal Requirements	384
		Parent company financial statements, including:	385- 386
		Statements of income	385
		Balance sheets	386
		Notes to the financial statements	387- 398
		Proposed appropriation of retained earnings and capital distribution	399
		Confirmation to the Board of Directors relating to the Conditional Increase of Share Capital of Credit Suisse Group AG, Zurich	400
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Independent Registered Public Accounting Firm	403
		Consolidated financial statements, including:	405- 412
		Consolidated statements of operations	405
		Consolidated statements of comprehensive income	405
		Consolidated balance sheets	406- 407
		Consolidated statements of changes in equity	408- 410
		Consolidated statements of cash flows	411- 412
		Supplemental cash flow information	412
		Notes to the consolidated financial statements	413- 492
		Controls and procedures	493
		Report of the Independent Registered Public Accounting Firm	494
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditor	497
		Report on Other Legal and Regulatory Requirements	498

<b>Section Number</b>	<b>Section Heading</b>	<b>Sub-heading</b>	<b>Page(s)</b>
		Financial review	499
		Parent company financial statements, including:	500- 502
		Statements of income	500
		Balance sheets	501
		Off-balance sheet transactions	502
		Notes to the financial statements	503- 511
		Proposed appropriation of retained earnings	512
IX	Additional information	Statistical information	514- 533
		Other information	534- 540
Appendix	Selected five-year information		A-2 – A-3
	List of abbreviations		A-4 – A-5
	Glossary		A-6 – A-9
	Investor information		A-10- A-11
	Financial calendar and contacts		A-12
	Cautionary statement regarding forward-looking information		A-13
<b>Form 6-K/A Dated 22 March 2013</b>			
	Form 6-K/A	Cover page	1
		Introduction	2
		Forward-Looking Statements	2
		Selected financial data	3-4
		Operating review and financial prospects	4-5
		Treasury and risk management	6
		Exhibits	7
		Signatures	8
<b>Exhibit to Form 6-K/A Dated 22 March 2013</b>			
		Financial highlights	0 (10 of PDF File)
		Credit Suisse at a glance	4 (14 of PDF File)
		Table of contents	5 (15 of PDF File)
		Explanation of revision	6 (16 of PDF File)
I	Credit Suisse results	Operating environment	8-10
		Credit Suisse	11-12
		Core Results	13-23

Section Number	Section Heading	Sub-heading	Page(s)
		Private Banking & Wealth Management	24-33
		Investment Banking	34-37
		Assets under Management	38-40
II	Treasury, risk, balance sheet and off-balance sheet	Treasury management	42-54
		Risk management	55-64
		Balance sheet and off-balance sheet	65-66
III	Condensed consolidated financial statements (unaudited)	Condensed consolidated financial statements (unaudited), including:	69-78
		Consolidated statements of operations (unaudited)	69
		Consolidated statements of comprehensive income (unaudited)	69
		Consolidated balance sheets (unaudited)	70-71
		Consolidated statements of changes in equity (unaudited)	72-76
		Consolidated statements of cash flows (unaudited)	77-78
		Supplemental cash flow information (unaudited)	78
		Notes to the condensed consolidated financial statements (unaudited), including:	79-155
		Summary of significant accounting policies	79
		Litigation	153-155
<b>Form 6-K Dated 24 April 2013</b>			
	Form 6-K	Cover page	1
		Introduction	2
		Forward-looking statements	2
		Selected financial data	3-4
		Operating and financial review and prospects	4-5
		Treasury and risk management	6
		Exhibits (Excluding (i) the information on pages 1 and 2 of the Exhibit under "Dear Shareholder", (ii) the website referred to on page 44 of the Exhibit, and (iii) the information on page 103 of the Exhibit under "Share data", "Ticker symbols/stock exchange listings" and "Share performance")	7
		Signatures	8

Section Number	Section Heading	Sub-heading	Page(s)
<b>Form 6-K Dated 8 May 2013</b>			
	Form 6-K	Cover page	1
		Explanatory note	2
		Exhibits (excluding the Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm)	3
<b>Exhibit to Form 6-K Dated 8 May 2013</b>			
	Financial highlights		0 (8 of the PDF file)
	Table of contents		3 (11 of the PDF file)
	Credit Suisse at a glance		4 (12 of the PDF file)
I	Credit Suisse results	Operating environment	6-8
		Credit Suisse	9-10
		Core Results	11-19
		Private Banking & Wealth Management	20-30
		Investment Banking	31-34
		Assets under Management	35-36
II	Treasury, risk, balance sheet and off-balance sheet	Liquidity and funding management	38-40
		Capital management	41-50
		Risk management	51-60
		Balance sheet and off-balance sheet	61-62
III	Condensed consolidated financial statements (unaudited)	Report of the Independent Registered Public Accounting Firm	65
		Condensed consolidated financial statements (unaudited), including:	67-74
		Consolidated statements of operations (unaudited)	67
		Consolidated statements of comprehensive income (unaudited)	67
		Consolidated balance sheets (unaudited)	68-69
		Consolidated statements of changes in equity (unaudited)	70-72
		Consolidated statements of cash flows (unaudited)	73-74
		Supplemental cash flow information (unaudited)	74
		Notes to the condensed consolidated financial statements (unaudited), including:	75-145
		Summary of significant accounting policies	75

Section Number	Section Heading	Sub-heading	Page(s)
		Litigation	144-145
		Condensed consolidating statements of operations	146-147
		Condensed consolidating statements of comprehensive income	146-147
		Condensed consolidating balance sheets	148-149
		List of Abbreviations	150
		Investor information, including:	151
		Bond ratings	151
		Financial calendar and contacts	152
		Foreign currency translation rates	152
		Cautionary statement regarding forward looking information	153

## (b) Documents incorporated by reference in respect of CSi

Section Number	Section Heading	Sub-heading	Page(s)
<b>CSi 2011 Annual Report</b>			
	Board of Directors and Company Secretary		2
	Directors' Report for the Year ended 31 December 2011		3 to 15
	Company Registration Number		16
	Statement of Directors' Responsibilities		17
	Independent Auditor's Report to the Members of Credit Suisse International		18 to 19
	Consolidated Statement of Income for the Year ended 31 December 2011		20
	Consolidated Statement of Financial Position as at 31 December 2011		21
	Bank Statement of Financial Position As at 31 December 2011		22
	Consolidated Statement of Changes in Equity for the Year ended 31 December 2011		23
	Bank Statement of Changes in Equity for the Year ended 31 December 2011		24
	Consolidated Statement of Cash Flows For the Year ended 31 December 2011		25
	Bank Statement of Cash Flows For the Year ended 31 December 2011		26
	Notes to the Financial Statements for the Year ended 31 December 2011		27 to 148
<b>CSi 2012 Annual Report</b>			
	Board of Directors and Company Secretary		1
	Directors' Report for the Year ended 31 December 2012		2 to 14
	Statement of Directors' Responsibilities		15
	Independent Auditor's Report to the Members of Credit Suisse		16 to 17

<b>Section Number</b>	<b>Section Heading</b>	<b>Sub-heading</b>	<b>Page(s)</b>
	International		
	Consolidated Statement of Income for the Year ended 31 December 2012		18
	Consolidated Statement of Financial Position as at 31 December 2012		19
	Bank Statement of Financial Position as at 31 December 2012		20
	Consolidated Statement of Changes in Equity for the Year ended 31 December 2012		21
	Bank Statement of Changes in Equity for the Year ended 31 December 2012		22
	Consolidated Statement of Cash Flows For the Year ended 31 December 2012		23
	Bank Statement of Cash Flows For the Year ended 31 December 2012		24
	Notes to the Financial Statements for the Year ended 31 December 2012		25 to 131
<b>Annual Report 2012</b>			
	Form 20-F	Definitions	6
		Sources	6
		Cautionary statement regarding forward-looking information	6
		Identity of directors, senior management and advisers	7
		Offer statistics and expected timetable	7
		Key information	7
		Information on the company	7-8
		Unresolved staff comments	8
		Operating and financial review and prospects	8-9
		Directors, senior management and employees	9
		Major shareholders and related party transactions	10
		Financial information	10
		The offer and listing	10
		Additional information	11
		Quantitative and qualitative disclosures about market risk	11
		Description of securities other than equity securities	12
		Defaults, dividend arrearages and delinquencies	12
		Material modifications to the rights of security holders	12
		Controls and procedures	12

Section Number	Section Heading	Sub-heading	Page(s)
		Audit committee financial expert	12
		Code of ethics	12
		Principal accountant fees and services	12
		Exemption from the listing standards for audit committee	12
		Purchases of equity securities by the issuer and affiliated purchasers	13
		Change in registrants' certifying accountant	13
		Corporate governance	13
		Mine Safety Disclosure	13
		Financial statements	13
		Exhibits	14
		Signatures	15
<b>Exhibit to Annual Report 2012</b>			
	Financial Highlights		0 (22 of the PDF file)
	Index		2-3 (24-25 of the PDF file)
	Credit Suisse at a glance		8
I	Information on the Company	Strategy	10-12
		Our businesses	13-21
		Organizational and regional structure	22- 23
		Regulation and supervision	24-36
		Risk factors	37-45
II	Operating and financial review	Operating environment	48-50
		Credit Suisse	51-54
		Core Results	55-67
		Private Banking & Wealth Management	68-78
		Investment Banking	79-83
		Corporate Center	84
		Assets under Management	85-87
		Critical accounting estimates	88-94
III	Treasury, Risk, Balance sheet and Off-balance sheet	Liquidity and funding management	96-101
		Capital management	102-120
		Risk management	121-148
		Balance sheet, off-balance sheet and other contractual obligations	149-152
IV	Corporate Governance and Compensation	Corporate Governance	154-185
		Compensation	186-220

Documents Incorporated by Reference

<b>Section Number</b>	<b>Section Heading</b>	<b>Sub-heading</b>	<b>Page(s)</b>
V	Consolidated financial statements – Credit Suisse Group	Report of the Independent Registered Public Accounting Firm	223
		Consolidated financial statements, including:	225- 232
		Consolidated statements of operations	225
		Consolidated statements of comprehensive income	225
		Consolidated balance sheets	226- 227
		Consolidated statements of changes in equity	228- 230
		Consolidated statements of cash flows	231- 232
		Supplemental cash flow information	232
		Notes to the consolidated financial statements, including:	233- 378
		Summary of significant accounting Policies	233- 242
		Litigation	357- 363
		Controls and procedures	379
		Report of the Independent Registered Public Accounting Firm to the General Meeting of Shareholders of Credit Suisse Group AG, Zurich	380
VI	Parent company financial statements – Credit Suisse Group	Report of the Statutory Auditor	383
		Report on Other Legal Requirements	384
		Parent company financial statements, including:	385-386
		Statements of income	385
		Balance sheets	386
		Notes to the financial statements	387- 398
		Proposed appropriation of retained earnings and capital distribution	399
Confirmation to the Board of Directors relating to the Conditional Increase of Share Capital of Credit Suisse Group AG, Zurich	400		
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Independent Registered Public Accounting Firm	403
		Consolidated financial statements, including:	405- 412
		Consolidated statements of operations	405
		Consolidated statements of comprehensive income	405
		Consolidated balance sheets	406- 407
		Consolidated statements of changes in equity	408- 410
		Consolidated statements of cash flows	411- 412

Section Number	Section Heading	Sub-heading	Page(s)
		Supplemental cash flow information	412
		Notes to the consolidated financial statements	413- 492
		Controls and procedures	493
		Report of the Independent Registered Public Accounting Firm	494
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditor	497
		Report on Other Legal and Regulatory Requirements	498
		Financial review	499
		Parent company financial statements, including:	500- 502
		Statements of income	500
		Balance sheets	501
		Off-balance sheet transactions	502
		Notes to the financial statements	503- 511
		Proposed appropriation of retained earnings	512
IX	Additional information	Statistical information	514- 533
		Other information	534- 540
Appendix	Selected five-year information		A-2 – A-3
	List of abbreviations		A-4 – A-5
	Glossary		A-6 – A-9
	Investor information		A-10- A-11
	Financial calendar and contacts		A-12
	Cautionary statement regarding forward-looking information		A-13
<b>Form 6-K Dated 24 April 2013</b>			
	Form 6-K	Cover page	1
		Introduction	2
		Forward-looking statements	2
		Exhibits (Excluding the information on pages 1 and 2 of the Exhibit under "Dear Shareholder")	7
<b>Form 6-K Dated 8 May 2013</b>			
	Form 6-K	Cover page	1
		Explanatory note	2
		Exhibits	3
		Signatures	4
		Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm	5

Section Number	Section Heading	Sub-heading	Page(s)
<b>Exhibit to Form 6-K Dated 8 May 2013</b>			
	Financial highlights		0 (8 of the PDF file)
	Table of contents		3 (11 of the PDF file)
	Credit Suisse at a glance		4 (12 of the PDF file)
I	Credit Suisse results	Operating environment	6-8
		Credit Suisse	9-10
		Core Results	11-19
		Private Banking & Wealth Management	20-30
		Investment Banking	31-34
		Assets under Management	35-36
II	Treasury, risk, balance sheet and off-balance sheet	Liquidity and funding management	38-40
		Capital management	41-50
		Risk management	51-60
		Balance sheet and off-balance sheet	61-62
III	Condensed consolidated financial statements (unaudited)	Report of the Independent Registered Public Accounting Firm	65
		Condensed consolidated financial statements (unaudited), including:	67-74
		Consolidated statements of operations (unaudited)	67
		Consolidated statements of comprehensive income (unaudited)	67
		Consolidated balance sheets (unaudited)	68-69
		Consolidated statements of changes in equity (unaudited)	70-72
		Consolidated statements of cash flows (unaudited)	73-74
		Supplemental cash flow information (unaudited)	74
		Notes to the condensed consolidated financial statements (unaudited), including:	75-145
		Summary of significant accounting policies	75
		Litigation	144-145
		Condensed consolidating statements of operations	146-147
		Condensed consolidating statements of comprehensive income	146-147
		Condensed consolidating balance sheets	148-149
List of Abbreviations	150		

Section Number	Section Heading	Sub-heading	Page(s)
		Investor information, including:	151
		Bond ratings	151
		Financial calendar and contacts	152
		Foreign currency translation rates	152
		Cautionary statement regarding forward looking information	153

Any information not listed above but included in the documents incorporated by reference herein is given for information purpose only and is not required by the relevant annexes of the Commission Regulation 809/2004/EC.

Credit Suisse Group AG (the "**Group**"), the ultimate parent company of the Issuers, and CS file annual and current reports, including interim financial information, with the SEC on Forms 20-F and 6-K. The SEC filings of the Group and CS are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on the Group's website at [www.credit-suisse.com](http://www.credit-suisse.com).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for the investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of this Base Prospectus will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, the documents incorporated by reference in this Base Prospectus will be available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and copies of such documents will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the relevant Issuer or the relevant Branch, if applicable.

## GENERAL DESCRIPTION OF THE PROGRAMME

### Issuers

Credit Suisse AG ("**CS**") and Credit Suisse International ("**CSi**") (each, an "**Issuer**" and, together, the "**Issuers**") may from time to time under the Programme, subject to compliance with all relevant laws, regulations and directives, issue (i) Notes and (ii) Warrants or Certificates (together, the "**Securities**").

### Types of Securities

The Securities may be securities which:

- will be in the form of notes, certificates or warrants;
- may have any maturity;
- will either bear periodic fixed rate or floating rate interest or interest that is dependent on the performance of one or more underlying assets, or be zero coupon notes, which do not bear interest; and
- upon maturity, will either pay a fixed percentage of the nominal amount, or pay a redemption amount or settlement amount, or deliver a specified number of shares, in each case that is dependent on the performance of one or more underlying assets.

In addition, the Securities may provide for early redemption or settlement upon the occurrence of a specified trigger event or at the option of the Issuer.

### Issuance of Securities

Securities will be issued in one or more series (each a "**Series**") and each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The Securities of each Series are intended to be interchangeable with all other Securities of that Series. Each Series will be allocated a unique Series number and an identification code.

In the case of notes, the general terms and conditions are set out at pages 81 – 98 of this Base Prospectus (the "**General Note Conditions**"). In the case of certificates, the general terms and conditions are set out at pages 105 – 120 of this Base Prospectus (the "**General Certificate Conditions**"). In the case of warrants, the terms and conditions are set out at pages 127 – 137 of this Base Prospectus (the "**General Warrant Conditions**").

The economic or "payout" terms are set out at pages 148 – 172 of this Base Prospectus (the "**Product Conditions**"), as specified to be applicable in a separate Final Terms document (the "**Final Terms**").

Where the Securities are linked to one or more underlying assets, the terms and conditions relating to such underlying asset(s) are set out at pages 173 – 292 of this Base Prospectus (the "**Asset Terms**"), as specified to be applicable in the Final Terms.

In addition, the contractual terms in this Base Prospectus will be completed by the Final Terms, which contain the issue specific details relating to each particular issuance of Securities.

### Governing law

The Securities will be governed by English law.

### Status and Ranking

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

## **Form of Securities**

Notes are issued in bearer form or in registered form. Notes in bearer form are represented by a bearer global security. No definitive notes will be issued for Notes in bearer form. Notes in registered form are represented by registered certificates and, save as provided in General Note Condition 2(b), each registered certificate shall represent the entire holding of Registered Notes by the same holder. Where Notes in registered form are held by or on behalf of one or more clearing systems, a global certificate will be issued in respect of them.

Certificates and Warrants shall be issued in registered form and shall be represented at all times by a global security deposited outside the United Kingdom with, or with a common depository for, the clearing system(s). Certificates or Warrants in definitive form shall not be issued.

The Securities may be cleared through Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, Monte Titoli S.p.A., CREST or any other clearing system as specified in the Conditions and/or the relevant Final Terms.

### *Securities in Euroclear Finland Oy*

The Securities may be securities in uncertificated and dematerialised book-entry form registered with Euroclear Finland Oy, the Finnish central securities depository in accordance with all applicable Finnish laws, regulations and rules. No Global Security in respect of the Securities will be issued.

### *Securities in Verdipapirsentralen ASA*

The Securities may be securities in uncertificated and dematerialised electronic book-entry form registered with Verdipapirsentralen ASA, the Norwegian central securities depository in accordance with all applicable Norwegian laws, regulations and rules. No Global Security in respect of the Securities will be issued.

### *Securities in Euroclear Sweden AB*

The Securities may be securities in uncertificated and dematerialised electronic book-entry form registered with Euroclear Sweden AB, the Swedish central securities depository in accordance with all applicable Swedish laws, regulations and rules. No Global Security in respect of the Securities will be issued.

## **Programme Agents**

- The Bank of New York Mellon, acting through its London Branch, (or as otherwise specified in the relevant Final Terms) will act as Fiscal Agent, Principal Certificate Agent, Principal Warrant Agent, Paying Agent, Transfer Agent, and The Bank of New York Mellon (Luxembourg) S.A. will act as Paying Agent, Transfer Agent and Registrar, with respect to the Securities.
- Nordea Securities Services in Finland will act as Issuing and Paying Agent in respect of any Securities registered in Euroclear Finland Oy.
- Nordea Bank AB (publ) will act as Issuing Agent in respect of any Securities registered in Euroclear Sweden.
- Nordea Bank Norge ASA will act as Issuing Agent and Registrar in respect of any Securities registered in Verdipapirsentralen ASA.

Each of these agents will together be referred to as "Agents".

## **Approval of the Base Prospectus by the CSSF**

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as the Luxembourg competent authority under the

## General Description of the Programme

Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the "**Luxembourg Prospectus Law**"). This Base Prospectus (excluding the CSi Information) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities to be issued by CS. This Base Prospectus (excluding the CS Information) also constitutes a separate base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities to be issued by CSi. Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF gives no undertaking as to, and assumes no responsibility for, the economic and financial characteristics of the Securities to be issued hereunder or the quality and solvency of each Issuer.

### **Listing and Admission to Trading**

Securities issued by each Issuer may (a) be listed and admitted to trading on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments, (b) listed on a market not regulated for such purpose, or (c) not listed on any market, in each case as shall be specified in the relevant Final Terms. In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) for the period of 12 months from the date of this Base Prospectus.

### **Passporting**

In accordance with Article 18 of the Prospectus Directive, the CSSF has been requested to provide the following competent authorities with a certificate of approval attesting that the Base Prospectus of each of CS and CSi has been drawn up in accordance with the Prospectus Directive:

- Autorité des services et marchés financiers (FSMA) (Belgium);
- Finanssivalvonta (Fiva) (Finland);
- Autorité des Marchés Financiers (AMF) (France);
- Hungarian Financial Supervisory Authority (Hungary);
- Central Bank of Ireland (CBI) (Ireland);
- Commissione Nazionale per le Società e la Borsa (CONSOB) (Italy);
- Autoriteit Financiële Markten (AFM) (The Netherlands);
- Finanstilsynet (Norway);
- Comissão do Mercado de Valores Mobiliários (CMVM) (Portugal);
- Finansinspektionen (Sweden); and
- Financial Conduct Authority (FCA) (The United Kingdom).

### **Categories of potential investors to which the Securities are offered**

The Securities will be offered to both retail and non-retail investors.

In respect of offers of Securities in Italy, if "Assignment to Qualified Investors only after allocation to public" is specified to be applicable in the relevant Final Terms, the Securities will be publicly offered through the relevant Distributor in the Republic of Italy to any person. Qualified Investors (*investitori qualificati*, as defined in Article 100 of the Financial Services

Act and Article 34-ter, first paragraph, letter b) of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended) may be assigned only those Securities remaining after the allocation of all the Securities requested by the public in Italy during the Offer Period.

## **OVERVIEW OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM**

The following provisions apply to Notes while in global form and represented by a Global Security or Global Certificate.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of a Clearing System as the holder of a Security represented by a Global Security or a Global Certificate must look solely to such Clearing System for its share of each payment made by the relevant Issuer to the bearer of such Global Security or the holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Security or Global Certificate, subject to and in accordance with the respective rules and procedures of such Clearing System.

So long as the Securities are represented by a Global Security or Global Certificate and the relevant Clearing System(s) so permit, the Securities shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) provided hereon and integral multiples of the tradable amount in excess thereof provided in the relevant Final Terms.

### **Global Certificates**

If the Securities are held in a Clearing System and are represented by a Global Certificate, the following will apply in respect of transfers of Securities. These provisions will not prevent the trading of interests in the Securities within a Clearing System (which will be subject to the rules and procedures of the relevant Clearing System), but will limit the circumstances in which the Securities may be withdrawn from the relevant Clearing System.

Transfers of the holding of Securities represented by any Global Certificate pursuant to General Note Condition 2 may only be made in part:

- (a) if the relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Securities is not paid when due; or
- (c) with the consent of the relevant Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the person in whose name the Securities are registered has given the Registrar not less than 30 days' notice at its specified office of its intention to effect such transfer.

No such transfer may be made during the period from the date of selection of Securities to be redeemed pursuant to General Note Condition 5(d) to the date of their redemption.

### **Deed of Covenant**

Under the CS Deed of Covenant or the CSi Deed of Covenant, as the case may be, the relevant Issuer has covenanted in favour of the Securityholders from time to time that if principal in respect of any Securities is not paid when due, it will make payment of the unpaid amounts in respect of the Securities to the relevant Clearing Systems for crediting to the accounts of the relevant Securityholders in accordance with the rules and procedures of the relevant Clearing System.

## TERMS AND CONDITIONS OF THE SECURITIES

### GENERAL TERMS AND CONDITIONS OF NOTES

*The following is the text of the general terms and conditions ("**General Note Conditions**") that, together with any applicable Additional Provisions, any applicable Product Conditions and any applicable Asset Terms (as specified in the relevant Final Terms) and subject to the provisions of the relevant Final Terms, shall be applicable to Securities for which the relevant General Terms and Conditions are specified in the relevant Final Terms as being those of "Notes". References in the Conditions to "Securities" are to the Securities of one series only, not to all Securities that may be issued under the Programme. Definitions used in these General Note Conditions shall not apply in relation to any of the other General Terms and Conditions contained in this Base Prospectus.*

The Securities (which expression shall include any Securities issued pursuant to General Note Condition 13) are issued pursuant to an agency agreement dated 10 July 2013 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuers, The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Final Terms) as fiscal agent and the other agents named in it and with the benefit of a deed of covenant dated 10 July 2013 (as amended or supplemented as at the Issue Date, the "**CS Deed of Covenant**") executed by CS in relation to Securities issued by CS or a deed of covenant dated 10 July 2013 (as amended or supplemented as at the Issue Date, the "**CSi Deed of Covenant**") executed by the CSi in relation to Securities issued by CSi, as the case may be. The fiscal agent, the registrar, the transfer agents, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Registrar**", the "**Transfer Agents**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Fiscal Agent, the Registrar, the Transfer Agents and the Calculation Agent(s) and together with any other agents specified in the relevant Final Terms, the "**Agents**"). The Securityholders (as defined in General Note Condition 1) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement, the CS Deed of Covenant and the CSi Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Securities of any Series are subject to these General Note Conditions, as modified and/or supplemented by any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms and the relevant final terms (the "**Final Terms**") relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**").

Expressions used herein and not defined shall have the meaning given to them in any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms or the relevant Final Terms. In the event of any inconsistency between the General Note Conditions, the applicable Product Conditions, the applicable Asset Terms and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) the applicable Product Conditions;
- (c) the applicable Asset Terms;
- (d) the applicable Additional Provisions (if any); and
- (e) the General Note Conditions.

Except in relation to General Note Conditions 8, 11 and 19 references herein to the "Issuer" shall be to CS acting through its London Branch, its Nassau Branch or its Singapore Branch (each a "**Branch**") or CSi, as the case may be, (as specified in the relevant Final Terms). In

relation to General Note Conditions 8, 11 and 19, references to "Issuer" shall be to CS or CSI, as the case may be, (as specified in the relevant Final Terms).

1. **Form, Denomination and Title**

The Securities are issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") in each case with a nominal amount (the "**Nominal Amount**") equal to the Specified Denomination(s) specified in the relevant Final Terms.

All Registered Securities shall have the same Specified Denomination.

Bearer Securities are represented by a bearer global security (a "**Global Security**"). No definitive Bearer Securities will be issued.

Notes which are Registered Securities ("**Registered Notes**") are represented by registered certificates ("**Certificates**") and, save as provided in General Note Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder. Where Registered Notes are held by or on behalf of one or more Clearing Systems, a global certificate (a "**Global Certificate**") will be issued in respect of them.

Title to the Global Security shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

For so long as any of the Securities is represented by a Global Security or a Global Certificate held by or on behalf of one or more clearing systems specified in the relevant Final Terms (each a "**Clearing System**"), each person (other than one Clearing System to the extent that it appears on the books of another Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular nominal amount of such Securities or, in the case of Securities held through Monte Titoli S.p.A. ("**Monte Titoli**"), each person whose name appears as being entitled to a Security in the books of a financial intermediary (an Italian bank, banker or agent authorised to maintain rewritten accounts on behalf of its clients) (an "**Account Holder**") who is entitled to such Security according to the books of Monte Titoli (in which regard any certificate or other document issued by the relevant Clearing System or Account Holder as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error), shall be treated by the Issuer and each Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the right to payment on such nominal amount or interest (if any) of such Securities, the right to which shall be vested, as against the Issuer and any Agent, solely in the bearer of the relevant Global Security or the person in whose name the Registered Security is registered in accordance with and subject to its terms (and the expressions "**Securityholder**" and "**holder**" of Securities and related expressions shall be construed accordingly). Rights in respect of Securities which are held by or on behalf of a Clearing System will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System and, if so specified in the relevant Final Terms, will be subject to a Minimum Transferable Number of Securities or a Minimum Trading Lot, as specified in the relevant Final Terms. Where Global Securities are held by or on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), the Global Security may be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). Where Registered Securities are held by or on behalf of Euroclear and Clearstream,

Luxembourg, the Registered Securities may be registered in the name of a nominee for such Clearing Systems and the Global Certificate delivered to the Common Depository.

Any reference to a Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer.

2. **Transfers of Registered Securities**

(a) ***Transfer of Registered Securities***

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer (which shall be available at the specified office of the Registrar or the Transfer Agent) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed, and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Securities and entries on the Register will be made subject to the regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any holder of a Registered Security upon request.

(b) ***Exercise of Options or Partial Redemption in Respect of Registered Securities***

In the case of an exercise of an Issuer's or Securityholders' option in respect of, or a partial redemption of, a holding of Registered Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Securities to a person who is already a holder of Registered Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) ***Delivery of New Certificates***

Each new Certificate to be issued pursuant to General Note Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in General Note Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this General Note Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place

of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Transfers Free of Charge**

The transfer of Registered Securities and Certificates shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods**

No Securityholder may require the transfer of a Registered Security to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Security, (ii) during the period of 15 days before any date on which Securities may be called for redemption by the Issuer at its option pursuant to General Note Condition 5(d), (iii) after any such Security has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. **Status**

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and rateably without any preference among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

4. **Interest and Premium**

(a) **Interest on Fixed Rate Securities**

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the relevant Final Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods.

(b) **Premium**

If so specified in the relevant Final Terms, the Issuer shall pay a premium in respect of the derivative element of the Securities. Such premium shall be payable in respect of each Security on its outstanding nominal amount from the Premium Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Premium or (ii) in an amount equal to a fixed Premium Amount, such premium being payable in arrear on each Premium Payment Date. If so specified in the relevant Final Terms, the Rate of Premium or Premium Amount may be different for different Premium Periods.

(c) **Interest on Floating Rate Securities**

(i) **Interest Payment Dates**

Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date specified in the relevant Final Terms.

(ii) *Business Day Convention*

If any date that is specified in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Securities*

The Rate of Interest in respect of Floating Rate Securities for each Interest Period shall be determined by the Calculation Agent (as defined in the ISDA Definitions) as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;
- (B) the Designated Maturity is a period so specified in the relevant Final Terms; and
- (C) the relevant Reset Date is (I) if the applicable Floating Rate Option is based on LIBOR or EURIBOR, the first day of that Interest Period or such days as so specified in the relevant Final Terms, or (II) if the applicable Floating Rate Option is neither based on LIBOR nor EURIBOR, such other day as so specified in the relevant Final Terms,

provided that if the Issuer determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate for an Interest Period shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to comparable benchmarks then available.

For the purposes of this sub-paragraph (iii), "**Floating Rate**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(d) *Accrual of Interest and Premium*

Interest and Premium shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest and premium shall continue to accrue (both before and after judgment) in the manner provided in this General Note Condition 4 to the Relevant Date (as defined in General Note Condition 7).

(e) *Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding*

## General Terms and Conditions of Notes

- (i) If any Rate Multiplier is specified in the relevant Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest transferable amount of such currency.

(f) **Calculations**

The amount of interest or premium payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest or Rate of Premium and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount or Premium Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest or premium payable in respect of such Security for such period shall equal such Interest Amount or Premium Amount (or be calculated in accordance with such formula).

(g) **Determination and Publication of Rates of Interest/Premium and Interest/Premium Amounts**

On such date as the Issuer may be required under this General Note Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount and/or the Rate of Premium and Premium Amount for each Interest Period and Premium Period and the relevant Interest Payment Date and Premium Payment Date to be notified to the Fiscal Agent, the Issuer (if the Issuer is not the Calculation Agent), each of the Agents, the Securityholders and, if the Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Premium Payment Date is subject to adjustment pursuant to General Note Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date or Premium Amount and Premium Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Premium Period. If the Securities become due and payable under General Note Condition 8, the accrued interest and the Rate of Interest and/or Rate of Premium payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Note Condition 4 but no publication of the Rate of Interest and/or Rate of Premium or the Interest Amount or Premium Amount so calculated need be made.

(h) **Definitions**

Unless the context otherwise requires and subject to the relevant Final Terms, the following terms shall have the meanings set out below:

**"Aggregate Nominal Amount"** means the aggregate nominal amount of the Securities set out in the relevant Final Terms.

**"Business Centre"** means each of the places so specified in the relevant Final Terms.

**"Business Day"** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a TARGET Business Day; and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest and/or premium on any Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period and/or a Premium Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**"M<sub>2</sub>"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

General Terms and Conditions of Notes

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case  $D_1$  will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case  $D_2$  will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - (I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year; and
    - (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

"**Designated Maturity**" means the period set out in the relevant Final Terms;

"**Determination Date**" means each date so specified in the relevant Final Terms or, if none is so specified, each Interest Payment Date and/or Premium Payment Date; and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Interest Amount**" means the amount of interest payable in respect of a Security on an Interest Payment Date as specified in the relevant Final Terms or calculated under this General Note Condition 4.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Payment Date**" means each date so specified in the relevant Final Terms, and if so specified in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention.

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

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

**"Premium Amount"** means the amount of any premium payable in respect of a Security on a Premium Payment Date as specified in the relevant Final Terms or calculated under this General Note Condition 4.

**"Premium Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Final Terms.

**"Premium Payment Date"** means each date so specified in the relevant Final Terms.

**"Premium Period"** means the period beginning on (and including) the Premium Commencement Date and ending on (but excluding) the first Premium Payment Date and each successive period beginning on (and including) a Premium Payment Date and ending on (but excluding) the next succeeding Premium Payment Date.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of a Security as specified in the relevant Final Terms or calculated under this General Note Condition 4.

**"Rate of Premium"** means the rate of premium payable from time to time in respect of a Security as specified in the relevant Final Terms.

## 5. **Redemption, Purchase and Options**

### (a) ***Redemption by Instalments and Final Redemption***

(i) Unless previously redeemed or purchased and cancelled, each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled or unless the Securities are to be redeemed by way of physical settlement pursuant to Product Condition 4, each Security shall be redeemed on the Maturity Date specified in the relevant Final Terms at its Redemption Amount (which, unless otherwise provided, shall be its Nominal Amount) or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount.

### (b) ***Early Redemption***

The amount payable in respect of any Security upon redemption of such Security pursuant to General Note Condition 5(c) or upon any Security becoming due and payable as provided in General Note Condition 8, shall be the amount determined by the Issuer that, in the case of redemption pursuant to General Note Condition 5(c) on a day prior to the due date for redemption selected by the Issuer in its sole and absolute discretion or, in the case of redemption pursuant to General Note Condition 8, on the due date for redemption of such Security, is equal to the Early Payment Amount.

### (c) ***Redemption for Illegality Reasons***

If the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal, or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative,

legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an "**Illegality**"), then the Issuer may, if and to the extent permitted by applicable law, either (i) make such adjustment to the Conditions as may be permitted by any applicable Asset Terms or (ii) having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Note Condition 14, redeem the Securities at their Early Payment Amount. In the case of (ii) no payment of the Redemption Amount (or physical delivery of the Share Amount or payment of the Fractional Cash Amount, as applicable) shall be made after such notice has been given.

(d) ***Redemption at the Option of the Issuer***

If "Call Option" is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some of the Securities on any Optional Redemption Date specified in the relevant Final Terms at their Optional Redemption Amount specified in the relevant Final Terms. Any such redemption must relate to Securities of a nominal amount at least equal to the minimum nominal amount to be redeemed and no greater than the maximum nominal amount to be redeemed, as specified in the relevant Final Terms. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Note Condition 5(d).

In the case of a partial redemption, the Securities to be redeemed shall be selected in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange, Clearing System and other relevant requirements, and holders of Registered Notes shall be notified separately if their Securities have been selected.

(e) ***Redemption at the Option of Securityholders***

If "Put Option" is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Security, upon the holder of such Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Security on the Optional Redemption Date(s) specified in the relevant Final Terms at its Optional Redemption Amount specified in the relevant Final Terms. No such option may be exercised if the Issuer has given notice of redemption of the Securities.

In the case of Securities not held in or on behalf of a Clearing System, to exercise such option the holder must deposit a duly completed option exercise notice ("**Exercise Notice**") substantially in the form set out in the Agency Agreement (or such other form as the Issuer, the Fiscal Agent and the Registrar may approve) within the notice period together with the Certificate representing such Registered Securities with the Registrar or any Transfer Agent at its specified office. In the case of Bearer Securities, the holder must deposit an Exercise Notice with the Fiscal Agent at the same time presenting the Global Security representing such Bearer Securities to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation according to the terms set out in such Global Security.

(f) ***Purchases***

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

(g) ***Reference to Principal***

References to "**principal**" shall be deemed to include, wherever the context so admits, any amounts payable under the Securities other than by way of interest.

6. **Payments**

(a) ***Bearer Securities***

Payments in respect of Bearer Securities shall be made against presentation and annotation or, if no further payment is to be made, surrender of the Global Security at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the Settlement Currency with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(b) ***Registered Securities***

Payments in respect of Registered Securities shall be made to the person shown on the Register at the close of business on the date (the "**Record Date**") which is (i) in the case of Securities represented by a Global Certificate held by or on behalf of one or more Clearing Systems, the Clearing System Business Day immediately prior to the due date for payment thereof, where "**Clearing System Business Day**" means each day from Monday to Friday inclusive except 25 December and 1 January and (ii) otherwise, the fifteenth day before the due date for payment thereof, and if no further payment is to be made, against presentation and surrender of the relevant Certificates at the specified office of any Transfer Agent or the Registrar. Payments on each Registered Security shall be made in the Settlement Currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment may be made by transfer to an account in the Settlement Currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(c) ***Discharge of Obligation***

The holder of a Global Security or Global Certificate shall be the only person entitled to receive payments in respect of Securities represented by such Global Security or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security or Global Certificate in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Securities represented by such Global Security or Global Certificate must look solely to such Clearing System for its share of each payment so made. No person other than the holder of such Global Security or Global Certificate shall have any claim against the Issuer in respect of any payments due on that Global Security or Global Certificate.

(d) ***Payments Subject to Laws***

All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives.

(e) ***Appointment of Agents***

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Final Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Securities, (iii) a Transfer Agent in relation to Registered Securities and (iv) so long as the Securities are listed on any stock

exchange and the rules of that stock exchange or the relevant competent authority so require, such Paying Agents or other agents as may be required by the rules of such stock exchange or competent authority.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

(f) **Non-Business Days**

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day which is a Currency Business Day and, where presentation is required, a Banking Day in the relevant place of presentation.

7. **Prescription**

Claims against the Issuer for payment in respect of Bearer Securities shall be prescribed and become void unless the Global Security is presented for payment within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date. "**Relevant Date**" means, in respect of any payment, (a) the date on which such payment first becomes due and payable or (b) if the full amount of moneys payable has not been received by the Fiscal Agent on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Securityholders in accordance with General Note Condition 14.

8. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date;
- (b) where the Issuer is CS acting through its London Branch, its Nassau Branch or its Singapore Branch, CS is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of CS; or
- (c) where the Issuer is CSi, a resolution is passed, or a final order of a court in the United Kingdom is made, and where not possible, not discharged or stayed within a period of 90 days, that CSi be wound up or dissolved,

then the holder of any Security may, by notice in writing given to the Fiscal Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Early Payment Amount unless prior to the time when the Fiscal Agent receives such notice all Events of Default have been cured.

9. **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions.

Such a meeting may be convened by Securityholders holding not less than one tenth in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to reduce the rate or rates of interest in respect of the Securities, (d) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

10. **Modification**

The Issuer may modify the Conditions (and (a) (i) in the case of CS, the CS Deed of Covenant, (ii) in the case of CSi, the CSi Deed of Covenant and (b) together with the other parties thereto, the Agency Agreement, save that, in relation to the regulations concerning transfers of Securities scheduled to the Agency Agreement, any modifications will be made in accordance with General Note Condition 2(a)) without the consent of any Securityholder for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders or (b) correcting a manifest error. Notice of any such modification will be given to the Securityholders in accordance with General Note Condition 14.

11. **Substitution of the Issuer**

The Issuer, or any previously substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any Affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its property, subject to:

- (a) where the Substitute is an Affiliate of the Issuer, the Substitute having a long-term unsecured debt rating equal to or higher than that of the Issuer given by Moody's Investors Service, Inc. (or an equivalent rating from another internationally recognised rating agency) or having the benefit of a guarantee from the Issuer or another Affiliate of the Issuer with such a debt rating;
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the

Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and

- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Note Condition 14.

In the event of any substitution of the Issuer, any reference in the Conditions to the "Issuer" shall thenceforth be construed as a reference to the Substitute.

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer and any entity under common control with the Issuer.

The Issuer shall also have the right upon notice to Securityholders in accordance with General Note Condition 14 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

## 12. **Taxation**

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Security, including, without limitation, the payment of any amount thereunder. The Issuer shall have the right to withhold or deduct from any amount payable to the Securityholder such amount (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Note Condition 12.

## 13. **Further Issues**

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities (save possibly for the amount and date of the first payment of interest and premium and for the issue price) (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to "Securities" shall be construed accordingly.

## 14. **Notices**

Notices to the holders of Securities which are listed on a stock exchange shall be given in such manner as the rules of such exchange or the relevant authority may require (in the case of the Luxembourg Stock Exchange by publication on [www.bourse.lu](http://www.bourse.lu)). In addition, so long as any Securities are held in or on behalf of a Clearing System, notices to the holders of such Securities may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security or Global Certificate. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Final Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Registered Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to be given by a Securityholder shall (in the case of a Security not held in or on behalf of a Clearing System) be in writing and given by being lodged with an Agent. Where Securities are held in or on behalf of a Clearing System, such notices may be given by the holder of a Security through the relevant Clearing System in such manner as the relevant Clearing System may approve for this purpose together with confirmation from the Clearing System of the Securityholder's holding of Securities.

Where Securities are held in or on behalf of a Clearing System but such Clearing System does not permit notices to be sent through it, such notices may be given by the relevant Securityholder in writing by being lodged with an Agent, subject to the Securityholder providing evidence from the Clearing System satisfactory to the Issuer of the Securityholder's holding of Securities.

**15. Replacement of Certificates**

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificate) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**16. Calculations and Determinations**

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Conditions shall be made in accordance with the terms of the relevant Conditions having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Securityholders.

Neither the Issuer nor the Calculation Agent shall have any responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

17. **Third Parties**

No person shall have any right to enforce any of the Conditions of the Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Securities expressly provide that it shall apply to any of their terms.

18. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAN**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**Nkr**" and "**NOK**" are to Norwegian Krone, references to "**SGD**" are to Singapore dollars, references to "**SEK**" and "**SKr**" are to Swedish Krona, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Additional Provisions**" means any of (a) the Provisions relating to Notes in Euroclear Finland, the Provisions relating to Notes in Euroclear Sweden or the Provisions relating to Notes in VPS, and/or (b) the applicable Additional Provisions for Italian Securities, in each case (i) where (in the case of (a)) the relevant Clearing System and/or (in the case of (b)) the Additional Provisions for Notes listed on Borsa Italiana S.p.A., is specified as applicable in the relevant Final Terms relating to the relevant Securities and (ii) on the terms as set forth in the Base Prospectus as referred to in such Final Terms.

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Final Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Business Day.

"**Early Payment Amount**" means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (if "Deduction for Hedge Costs" is specified to be applicable in the relevant Final Terms) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

"**Financial Centre**" means each of the places so specified in the relevant Final Terms.

"**Fractional Cash Amount**" has the meaning given to it in the Product Conditions.

"**Issue Date**" means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or

- (b) the number of Currency Business Days following the Initial Setting Date, as specified in the relevant Final Terms.

**"Issue Price"** means the amount so specified in the relevant Final Terms.

**"Maturity Date"** means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or
- (b) the number of Currency Business Days following the Final Fixing Date, the last Averaging Date, the Knock-in Observation Date, the Coupon Observation Date, the last Coupon Observation Averaging Date or the Trigger Barrier Observation Date, as specified in the relevant Final Terms (or if there are two or more such dates, the latest of such dates to occur); or
- (c) the later of (i) the date so specified in the relevant Final Terms, and (ii) the number of Currency Business Days following the Final Fixing Date, the last Averaging Date, the Knock-in Observation Date, the Coupon Observation Date, the last Coupon Observation Averaging Date or the Trigger Barrier Observation Date, as specified in the relevant Final Terms (or if there are two or more such dates, the latest of such dates to occur).

**"Redemption Amount"** has the meaning given to it in the Product Conditions.

**"Settlement Currency"** means the currency in which a payment is to be made.

**"Share Amount"** has the meaning given to it in the Product Conditions.

**"TARGET Business Day"** means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

## 19. **Governing Law and Jurisdiction**

The Securities, the Global Security, the Certificates, the Global Certificates and any non-contractual obligations arising out of or in relation to them are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees for the benefit of the Securityholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and, where the Issuer is CS, the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Note Condition 19 shall limit any right to take Proceedings against the Issuer or, where the Issuer is CS, the relevant Branch in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

CS appoints its London Branch as its agent for service of process in England in respect of any Proceedings against CS.

## ADDITIONAL PROVISIONS RELATING TO NOTES

### PROVISIONS RELATING TO NOTES IN EUROCLEAR FINLAND

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Notes and that the Clearing System is Euroclear Finland.*

#### Form of Securities

The Securities shall be Registered Securities in book-entry form in accordance with the Euroclear Finland Rules (as defined below).

#### Financial Centre(s)

Financial Centres shall not be applicable for the definition of "Currency Business Day".

#### Stock Exchange(s)

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Nordic. If Euroclear Finland ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Nordic, subject to the applicable law and the rules of NASDAQ OMX Nordic.

#### Names and Addresses

**Clearing System** Euroclear Finland Oy ("**Euroclear Finland**")  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

**Issuing and Paying Agent** Nordea Securities Services  
Aleksis Kiven katu 3-5  
Helsinki  
FI-00020 Nordea  
Finland

**Registrar** Euroclear Finland Oy  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

#### Additional Provisions

So long as Euroclear Finland is the Registrar in respect of the Securities the following provisions shall apply and, notwithstanding any provisions in the General Note Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Finland Rules, in the sole opinion of Euroclear Finland:

- (a) Title to the Securities will pass by transfer from a Securityholder's book-entry account to another book-entry account within Euroclear Finland (except where the Securities are nominee-registered and are transferred from one account to another account with the same nominee) perfected in accordance with the Finnish legislation, rules and regulations applicable to and/or issued by Euroclear Finland that are in force and effect from time to time (the "**Euroclear Finland Rules**"), and General Note Condition 2 and the final four paragraphs of General Note Condition 1 shall not apply.

"**Register**" means the register of Euroclear Finland.

"**Securityholder**" and "**holder**" mean a person in whose name a Security is registered in a book-entry account in the book-entry system of Euroclear Finland or

## Provisions relating to Notes in Euroclear Finland

any other person recognised as a holder of a Security pursuant to the Euroclear Finland Rules.

- (b) No Global Certificate in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Finland Rules and General Note Condition 6(b) shall not apply. The record date for payment is the first Currency Business Day before the due date for payment. Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Helsinki.
- (d) All Securities will be registered in the book-entry system of Euroclear Finland.
- (e) The relevant Issuer or the Issuing and Paying Agent shall be entitled to obtain from Euroclear Finland extracts from the book-entry registers of Euroclear Finland relating to the Securities.
- (f) By delivering a notice pursuant to General Note Condition 5(e) or, as applicable, General Note Condition 8, the Securityholder authorises the relevant Issuer or its representative to transfer the Securities to a designated account or, at the discretion of such Issuer or its representative, to register a transfer restriction in respect of the Securityholder's Securities on the Securityholder's book-entry account. A Securityholder's notice pursuant to General Note Condition 5(e) or, as applicable, General Note Condition 8, shall not take effect unless and until such transfer or registration has been completed.

## PROVISIONS RELATING TO NOTES IN EUROCLEAR SWEDEN

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Notes and that the Clearing System is Euroclear Sweden.*

### Form of Securities

The Securities shall be Registered Securities in book-entry form in accordance with the Euroclear Sweden Rules (as defined below).

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Stockholm. If Euroclear Sweden ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Stockholm.

### Names and Addresses

**Clearing System and Registrar** (*central värdepappersförvarare* under the Swedish Financial Instruments Accounts Act):

Euroclear Sweden AB ("**Euroclear Sweden**")  
Corp. Reg. No. 556112-8074  
Box 191  
SE-101 23 Stockholm  
Sweden

**Issuing Agent** (*emissionsinstitut*) under the Euroclear Sweden Rules (which shall be treated as a Paying Agent for the purposes of General Note Condition 6(e)):

Nordea Bank AB (publ)  
Smålandsgatan 24  
SE-105 71 Stockholm  
Sweden

### Additional Provisions

So long as Euroclear Sweden is the Registrar in respect of the Securities the following provisions shall apply and, notwithstanding any provisions in the General Note Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Sweden Rules, in the sole opinion of Euroclear Sweden:

- (a) Title to the Securities will pass by transfer between accountholders at Euroclear Sweden, perfected in accordance with the legislation (including the Swedish Financial Instruments Accounts Act (SFS 1998:1479)), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time (the "**Euroclear Sweden Rules**"), and General Note Condition 2 and the final four paragraphs of General Note Condition 1 shall not apply. No such transfer may take place during the five Banking Days in Stockholm immediately preceding the Maturity Date or on the Maturity Date.

"**Securityholder**" and "**holder**" mean a person in whose name a Security is registered in a Euroclear Sweden Account in the book-entry settlement system of Euroclear Sweden or any other person recognised as a holder of Securities pursuant to the Euroclear Sweden Rules and accordingly, where Securities are held through a registered nominee, the nominee shall be deemed to be the holder.

"**Register**" means the register of Euroclear Sweden.

- (b) No Global Certificate in respect of the Securities will be issued.

## Provisions relating to Notes in Euroclear Sweden

- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Sweden Rules and General Note Condition 6(b) shall not apply. Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Stockholm and London.
- (d) All Securities will be registered in the book-entry system of Euroclear Sweden.
- (e) The relevant Issuer shall be entitled to obtain from Euroclear Sweden extracts from the book-entry registers of Euroclear Sweden (*skuldbok*) relating to the Securities for the purposes of performing its obligations pursuant to the Conditions.
- (f) **"Interest Period"** means the period beginning on (but excluding) the Interest Commencement Date and ending on (and including) the first Interest Payment Date and each successive period beginning on (but excluding) an Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date.
- (g) **"Premium Period"** means the period beginning on (but excluding) the Premium Commencement Date and ending on (and including) the first Premium Payment Date and each successive period beginning on (but excluding) a Premium Payment Date and ending on (and including) the next succeeding Premium Payment Date.
- (h) A Securityholder's Notice pursuant to General Note Condition 5(e) or, as applicable, General Note Condition 8 shall not take effect unless and until the relevant Securityholder's Securities have been duly blocked for further transfers (by transfer to an account designated by the Issuing Agent or otherwise in accordance with the Euroclear Sweden Rules).
- (i) In the case of a meeting of Securityholders, the relevant Issuer may prescribe such further provisions in relation to the holding of meetings as it may determine to be appropriate in order to take account of the Euroclear Sweden Rules.
- (j) No substitution of the relevant Issuer pursuant to General Note Condition 11 shall be made without the prior consent of Euroclear Sweden.

## PROVISIONS RELATING TO NOTES IN VPS

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Notes and that the Clearing System is VPS.*

### Form of Securities

The Securities shall be Registered Securities in book-entry form in accordance with the VPS Rules (as defined below).

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on Oslo Børs.

### Names and Addresses

#### Securities Depository:

Verdipapirsentralen ASA ("**VPS**")  
Fred Olsens gate 1  
Postboks 4  
0051 Oslo  
Norway

**Issuing Agent and Registrar** (*kontofører utsteder* under the Norwegian Securities Register Act dated 5 July 2002 no. 64):

Nordea Bank Norge ASA  
Securities Services – Issuer Services  
Essendrops gate 7  
P.O. Box 1166 Sentrum  
0107 Oslo  
Norway

### Additional Provisions

- (a) So long as the Securities are registered in VPS the following provisions shall apply and, notwithstanding any provisions in the General Note Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the VPS Rules, in the sole opinion of VPS:
- (i) Title to the Securities will pass by transfer between accountholders at VPS, perfected in accordance with the legislation, rules and regulations applicable to and/or issued by VPS that are in force and effect from time to time (the "**VPS Rules**"), and General Note Condition 2 and the final four paragraphs of General Note Condition 1 shall not apply. No such transfer may take place during the ten Banking Days in Oslo (or such other period as VPS may specify) immediately preceding the Maturity Date or on the Maturity Date.  
  
"**Securityholder**" and "**holder**" mean a person in whose name a Security is registered in a VPS Account in the book-entry system of VPS or any other person recognised as a holder of Securities pursuant to the VPS Rules.
  - (ii) No Global Certificate in respect of the Securities will be issued.
  - (iii) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the VPS Rules and General Note Condition 6(b) shall not apply. The record date for payment is the tenth Banking Day in Oslo (or such other date as VPS may specify) before the due date for payment. Securityholders will not be entitled to any interest or other payment for any

## Provisions Relating to Notes in VPS

delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Oslo.

- (iv) All Securities will be registered in the book-entry system of VPS.
- (b) So long as the Securities are listed on Oslo Børs, copies of any notices convening a meeting of Securityholders in accordance with the General Note Conditions shall be sent to Oslo Børs and it (through its representatives) may attend and speak at any such meeting of Securityholders.

## GENERAL TERMS AND CONDITIONS OF CERTIFICATES

*The following is the text of the general terms and conditions ("**General Certificate Conditions**") that, together with any applicable Additional Provisions, any applicable Product Conditions and any applicable Asset Terms (as specified in the relevant Final Terms) and subject to the provisions of the relevant Final Terms, shall be applicable to Securities for which the relevant General Terms and Conditions are specified in the relevant Final Terms as being those of "Certificates". References in the Conditions to "Securities" are to the Securities of one series only, not to all Securities that may be issued under the Programme. Definitions used in these General Certificate Conditions shall not apply in relation to any of the other General Terms and Conditions contained in this Base Prospectus.*

In relation to the Securities (which expression shall include any Securities issued pursuant to General Certificate Condition 8), the Issuers have executed an agency agreement dated 10 July 2013 (as amended, restated or supplemented from time to time, the "**Agency Agreement**"), with The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Final Terms) as issuing agent and principal certificate agent (the "**Principal Certificate Agent**", which expression shall include, wherever the context so admits, any successor principal certificate agent). The certificate agent, the registrar, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Certificate Agent**" (which expression shall include the Principal Certificate Agent and any substitute or additional certificate agents), the "**Registrar**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Certificate Agent, the Registrar and the Calculation Agent(s) and together with any other agents specified in the relevant Final Terms, the "**Agents**"). The Securityholders (as defined in General Certificate Condition 1(b)) are deemed to have notice of all the provisions of the Agency Agreement applicable to them. CS has executed a general deed of covenant by deed poll dated 10 July 2013 (the "**CS Deed of Covenant**") in favour of Securityholders from time to time in respect of Securities issued by CS from time to time under which it has agreed to comply with the terms of all such Securities. CSi has executed a general deed of covenant by deed poll dated 10 July 2013 (the "**CSi Deed of Covenant**") in favour of Securityholders from time to time in respect of Securities issued by CSi from time to time under which it has agreed to comply with the terms of all such Securities. Copies of the Agency Agreement (including the form of global certificate referred to below), the CS Deed of Covenant and the CSi Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of each of the Certificate Agents and the Registrar.

The Securities of any Series are subject to these General Certificate Conditions, as modified and/or supplemented by any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms and the relevant final terms (the "**Final Terms**") relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**"). The relevant Securities will (unless otherwise specified) be represented by a global certificate (the "**Global Security**").

Expressions used herein and not defined shall have the meaning given to them in any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms or the relevant Final Terms. In the event of any inconsistency between the General Certificate Conditions, the applicable Product Conditions, the applicable Asset Terms and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) the applicable Product Conditions;
- (c) the applicable Asset Terms;
- (d) the applicable Additional Provisions (if any); and
- (e) the General Certificate Conditions.

Except in relation to General Certificate Conditions 10, 15 and 18 references herein to the "Issuer" shall be to CS acting through its London Branch, its Nassau Branch or its Singapore Branch (each a "**Branch**") or CSi, as the case may be, (as specified in the relevant Final Terms). In relation to General Certificate Conditions 10, 15 and 18, references to "Issuer" shall be to CS or CSi, as the case may be, (as specified in the relevant Final Terms).

1. **Form, Title and Transfer**

(a) **Form**

The Securities shall be issued in registered form and shall be represented at all times by the Global Security deposited outside the United Kingdom with, or with a common depository for, the Clearing System(s) (the "**Registered Global Security**"). Securities in definitive form shall not be issued.

(b) **Title**

Subject as provided below, title to the Securities shall pass by registration in the register (the "**Register**") maintained in accordance with the provisions of the Agency Agreement.

Each person being referred to herein as a "**Securityholder**" or "**holder**" shall, for the purposes of these General Certificate Conditions, be:

- (i) in the case of Securities clearing through the relevant Clearing System(s) (other than Securities clearing through Monte Titoli), each person for the time being appearing in the records of the relevant Clearing System(s) as the holder of a Security (other than one Clearing System to the extent that it appears on the books of another Clearing System) and such person shall be treated for all purposes by the Issuer, the Certificate Agents and the relevant Clearing System(s) as the Securityholder, other than with respect to the payment of any amount due under the terms of the Securities, for which purpose the Securityholder shall be the person in whose name the Registered Global Security is registered in accordance with and subject to its terms, notwithstanding any notice to the contrary; and
- (ii) in the case of Securities clearing through Monte Titoli, each person whose name appears as being entitled to a Security in the books of a financial intermediary (an Italian bank, broker or agent authorised to maintain securities accounts on behalf of its clients) (an "**Account Holder**") and who is entitled to such Security according to the books of Monte Titoli, and such person shall be treated for all purposes as the Securityholder thereof.

References to "**Clearing System(s)**" are to Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or such other clearing system specified in the relevant Final Terms with or on behalf of which the Global Security is deposited. References to "**Monte Titoli**" are to Monte Titoli S.p.A.

(c) **Transfer**

Transfers of Securities may be effected only in integral multiples of the Transferable Number of Securities, subject to a minimum of any Minimum Trading Lot specified in the relevant Final Terms and (i) in the case of Securities held through Monte Titoli, through the relevant Account Holder, or (ii) in the case of Securities held through another Clearing System, through such Clearing System. Transfers may be effected only upon registration of the transfer in the books of (i) in the case of Securities held through Monte Titoli, the relevant Account Holder, or (ii) in the case of Securities held in another Clearing System, such Clearing System.

2. **Status**

The Securities are unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

3. **Redemption and Payment**

(a) ***Maturity Date***

Unless previously redeemed or purchased and cancelled or unless the Securities are to be redeemed by way of physical settlement pursuant to Product Condition 4, the Issuer will redeem the Securities on the Maturity Date at their Redemption Amount.

(b) ***Interim payments***

In addition, if so specified in the relevant Final Terms, the Issuer will pay or cause to be paid on such dates as may be specified therein such amounts as may be specified or determined in accordance with the provisions of the relevant Final Terms ("**Interim Payments**").

(c) ***Redemption at the Option of the Issuer***

If "Call Option" is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some, of the Securities on any Optional Redemption Date specified in the relevant Final Terms at their Optional Redemption Amount specified in the relevant Final Terms. Any such redemption must relate to a number of Securities at least equal to the minimum number to be redeemed and no greater than the maximum number to be redeemed, as specified in the relevant Final Terms. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Certificate Condition 3(c).

In the case of a partial redemption, the Securities to be redeemed shall be selected in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange, Clearing System and other relevant requirements.

(d) ***Redemption at the Option of Securityholders***

If "Put Option" is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Security, upon the holder of such Security giving not less than 15 nor more than 30 days' notice (substantially in the form set out in the Agency Agreement or in such other form as the Issuer and the Principal Certificate Agent may approve) to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Security on the Optional Redemption Date(s) specified in the relevant Final Terms at its Optional Redemption Amount specified in the relevant Final Terms. No such option may be exercised if the Issuer has given notice of redemption of the Securities.

(e) **Payments**

Payments in respect of Securities will be made to the relevant Clearing System(s) for credit to the account of the person shown on the Register at the close of business on the date (the "**Record Date**") which is the Clearing System Business Day immediately prior to the due date for payment thereof, where "Clearing System Business Day" means each day from Monday to Friday inclusive except 25 December and 1 January.

The holder of the Registered Global Security will be the only person entitled to receive payments in respect of Securities represented by such Registered Global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Registered Global Security in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number or nominal amount of Securities represented by such Registered Global Security must look solely to such Clearing System for its share of each payment so made by the Issuer. No person other than the holder of such Registered Global Security shall have any claim against the Issuer in respect of any payments due on that Registered Global Security.

Payment by the Issuer of any amount payable in respect of a Security will be subject in all cases to all applicable fiscal and other laws, regulations and directives and the rules and procedures of the relevant Clearing System(s). Neither the Issuer nor any Certificate Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in the performance of its duties in relation to the Securities.

(f) **Non-Currency Business Days**

If any date for payment in respect of any Security is not a Currency Business Day, Securityholders shall not be entitled to payment until the next following Currency Business Day or to any interest or other sum in respect of such postponed payment.

4. **Interest and Premium**

(a) **Interest on Fixed Rate Securities**

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the relevant Final Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods.

(b) **Premium**

If so specified in the relevant Final Terms, the Issuer shall pay a premium in respect of the derivative element of the Securities. Such premium shall be payable in respect of each Security on its outstanding nominal amount from the Premium Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Premium or (ii) in an amount equal to a fixed Premium Amount, such premium being payable in arrear on each Premium Payment Date. If so specified in the relevant Final Terms, the Rate of Premium or Premium Amount may be different for different Premium Periods.

(c) **Interest on Floating Rate Securities**

(i) **Interest Payment Dates**

Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being

payable in arrear on each Interest Payment Date specified in the relevant Final Terms.

(ii) *Business Day Convention*

If any date that is specified in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Securities*

The Rate of Interest in respect of Floating Rate Securities for each Interest Period shall be determined by the Calculation Agent (as defined in the ISDA Definitions) as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;
- (B) the Designated Maturity is a period so specified in the relevant Final Terms; and
- (C) the relevant Reset Date is (I) if the applicable Floating Rate Option is based on LIBOR or EURIBOR, the first day of that Interest Period or such days as so specified in the relevant Final Terms, or (II) if the applicable Floating Rate Option is neither based on LIBOR nor EURIBOR, such other day as so specified in the relevant Final Terms,

provided that if the Issuer determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate for an Interest Period shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to comparable benchmarks then available.

For the purposes of this sub-paragraph (iii), "**Floating Rate**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(d) *Accrual of Interest and Premium*

Interest and Premium shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest and premium shall continue to accrue (both before and after judgment) in the manner provided in this General Certificate Condition 4 to (i) the date on which such payment first becomes due and payable or (ii) if the full amount of moneys payable has not been received by the Certificate Agent on or prior to such date, the date on which, the

full amount of such moneys having been so received notice to that effect is given to the Securityholders in accordance with General Certificate Condition 9.

(e) **Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding**

- (i) If any Rate Multiplier is specified in the relevant Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest transferable amount of such currency.

(f) **Calculations**

The amount of interest or premium payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest or Rate of Premium and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount or Premium Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest or premium payable in respect of such Security for such period shall equal such Interest Amount or Premium Amount (or be calculated in accordance with such formula).

(g) **Determination and Publication of Rates of Interest/Premium and Interest/Premium Amounts**

On such date as the Issuer may be required under this General Certificate Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount and/or the Rate of Premium and Premium Amount for each Interest Period and Premium Period and the relevant Interest Payment Date and Premium Payment Date to be notified to the Fiscal Agent, the Issuer (if the Issuer is not the Calculation Agent), each of the Agents, the Securityholders and, if the Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Premium Payment Date is subject to adjustment pursuant to General Certificate Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date or Premium Amount and Premium Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Premium Period. If the Securities become due and payable under General Certificate Condition 10, the accrued interest and the Rate of Interest and/or Rate of Premium payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Certificate Condition 4 but no publication of the Rate of

Interest and/or Rate of Premium or the Interest Amount or Premium Amount so calculated need be made.

(h) **Definitions**

Unless the context otherwise requires and subject to the relevant Final Terms, the following terms shall have the meanings set out below:

**"Aggregate Nominal Amount"** means the aggregate nominal amount of the Securities set out in the relevant Final Terms.

**"Business Centre"** means each of the places so specified in the relevant Final Terms.

**"Business Day"** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a TARGET Business Day; and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest and/or premium on any Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period and/or a Premium Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if **"Actual/360"** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

General Terms and Conditions of Certificates

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - (I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year; and
    - (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

"**Designated Maturity**" means the period set out in the relevant Final Terms;

"**Determination Date**" means each date so specified in the relevant Final Terms or, if none is so specified, each Interest Payment Date and/or Premium Payment Date; and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Interest Amount**" means the amount of interest payable in respect of a Security on an Interest Payment Date as specified in the relevant Final Terms or calculated under this General Certificate Condition 4.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Payment Date**" means each date so specified in the relevant Final Terms, and if so specified in the relevant Final Terms, subject to adjustment in accordance with the Business Day Convention.

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

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

**"Premium Amount"** means the amount of any premium payable in respect of a Security on a Premium Payment Date as specified in the relevant Final Terms or calculated under this General Certificate Condition 4.

**"Premium Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Final Terms.

**"Premium Payment Date"** means each date so specified in the relevant Final Terms.

**"Premium Period"** means the period beginning on (and including) the Premium Commencement Date and ending on (but excluding) the first Premium Payment Date and each successive period beginning on (and including) a Premium Payment Date and ending on (but excluding) the next succeeding Premium Payment Date.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of a Security as specified in the relevant Final Terms or calculated under this General Certificate Condition 4.

**"Rate of Premium"** means the rate of premium payable from time to time in respect of a Security as specified in the relevant Final Terms.

5. **Illegality**

If the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an **"Illegality"**), then the Issuer may, if and to the extent permitted by applicable law, either (a) make such adjustment to the Conditions as may be permitted by any applicable Asset Terms or (b) having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Certificate Condition 9, redeem the Securities at their Early Payment Amount. In the case of (b) no payment of the Redemption Amount (or physical delivery of the Share Amount or payment of the Fractional Cash Amount, as applicable) shall be made after such notice has been given.

6. **Purchases**

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

7. **Appointment of Agents**

The Certificate Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Final Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (a) a Principal Certificate Agent, (b) a Registrar and (c) so long as the Securities are listed on any stock exchange and the rules of that stock exchange or the relevant competent authority so require, such Paying Agents or other agents as may be required by the rules of such stock exchange or competent authority.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

8. **Further Issues**

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities (save possibly for the amount and date of the first payment of interest and premium and for the issue price) (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to "Securities" shall be construed accordingly.

9. **Notices**

Notices to the holders of Securities which are listed on a stock exchange shall be given in such manner as the rules of such exchange or the relevant authority may require (in the case of the Luxembourg Stock Exchange by publication on [www.bourse.lu](http://www.bourse.lu)). In addition, so long as any Securities are held in or on behalf of a Clearing System, notices to the holders of such Securities may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Final Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to be given by a Securityholder shall (in the case of a Security not held in or on behalf of a Clearing System) be in writing and given by being lodged with a Certificate Agent. Where Securities are held in or on behalf of a Clearing System, such notices may be given by the holder of a Security through the relevant Clearing System in such manner as the relevant Clearing System may approve for this purpose together with confirmation from the Clearing System of the Securityholder's holding of Securities.

Where Securities are held in or on behalf of a Clearing System but such Clearing System does not permit notices to be sent through it, such notices may be given by the relevant Securityholder in writing by being lodged with a Certificate Agent, subject to the Securityholder providing evidence from the Clearing System satisfactory to the Issuer of the Securityholder's holding of Securities.

10. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date;
- (b) where the Issuer is CS acting through its London Branch, its Nassau Branch or its Singapore Branch, CS is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant

creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of CS; or

- (c) where the Issuer is CSi, a resolution is passed, or a final order of a court in the United Kingdom is made, and where not possible, not discharged or stayed within a period of 90 days, that CSi be wound up or dissolved,

then the holder of any Security may, by notice in writing given to the Certificate Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Early Payment Amount unless prior to the time when the Certificate Agent receives such notice all Events of Default have been cured.

#### 11. **Calculations and Determinations**

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Conditions shall be made in accordance with the terms of the relevant Conditions having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Securityholders.

Neither the Issuer nor the Calculation Agent shall have any responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

#### 12. **Taxation**

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Security, including, without limitation, the payment of any amount thereunder. The Issuer shall have the right to withhold or deduct from any amount payable to the Securityholder such amount as is necessary (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Certificate Condition 12.

13. **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions. Such a meeting may be convened by Securityholders holding not less than one tenth of the nominal amount of, or as the case may be, the number of Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority of the nominal amount of, or as the case may be, the number of Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount or number of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (d) to vary the currency or currencies of payment or nominal amount of the Securities, (e) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (f) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., of the nominal amount of, or as the case may be, the number of Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the nominal amount of, or as the case may be, the number of Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

14. **Modification**

The Issuer may modify the Conditions (and (a) (i) in the case of CS, the CS Deed of Covenant, (ii) in the case of CSi, the CSi Deed of Covenant and (b) together with the other parties thereto, the Agency Agreement) without the consent of any Securityholder for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders or (b) correcting a manifest error. Notice of any such modification will be given to the Securityholders in accordance with General Certificate Condition 9.

15. **Substitution of the Issuer**

The Issuer, or any previously substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any Affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its property, subject to:

- (a) where the Substitute is an Affiliate of the Issuer, the Substitute having a long-term unsecured debt rating equal to or higher than that of the Issuer given by Moody's Investors Service, Inc. (or an equivalent rating from another

internationally recognised rating agency) or having the benefit of a guarantee from the Issuer or another Affiliate of the Issuer with such a debt rating;

- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Certificate Condition 9.

In the event of any substitution of the Issuer, any reference in the Conditions to the "Issuer" shall thenceforth be construed as a reference to the Substitute.

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer and any entity under common control with the Issuer.

The Issuer shall also have the right upon notice to Securityholders in accordance with General Certificate Condition 9 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

16. **Third Parties**

No person shall have any right to enforce any of the Conditions of the Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Securities expressly provide that it shall apply to any of their terms.

17. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAN**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**Nkr**" and "**NOK**" are to Norwegian Krone, references to "**SGD**" are to Singapore dollars, references to "**SEK**" and "**SKr**" are to Swedish Krona, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Additional Provisions**" means any of (a) the Provisions relating to Certificates in Euroclear Finland, the Provisions relating to Certificates in Euroclear Sweden or the Provisions relating to Certificates in VPS, and/or (b) the applicable Additional Provisions for Italian Securities, in each case (i) where (in the case of (a)) the relevant Clearing System and/or (in the case of (b)) the Additional Provisions for Certificates listed on Borsa Italiana S.p.A., is specified as applicable in the relevant Final Terms relating to the relevant Securities and (ii) on the terms as set forth in the Base Prospectus as referred to in such Final Terms.

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Final Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be

the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Business Day.

**"Early Payment Amount"** means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (if "Deduction for Hedge Costs" is specified to be applicable in the relevant Final Terms) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

**"Extraordinary Resolution"** means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

**"Financial Centre"** means each of the places so specified in the relevant Final Terms.

**"Fractional Cash Amount"** has the meaning given to it in the Product Conditions.

**"Issue Date"** means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or
- (b) the number of Currency Business Days following the Initial Setting Date, as specified in the relevant Final Terms.

**"Issue Price"** means the amount so specified in the relevant Final Terms.

**"Maturity Date"** means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or
- (b) the number of Currency Business Days following the Final Fixing Date, the last Averaging Date, the Knock-in Observation Date, the Coupon Observation Date, the last Coupon Observation Averaging Date or the Trigger Barrier Observation Date, as specified in the relevant Final Terms (or if there are two or more such dates, the latest of such dates to occur); or
- (c) the later of (i) the date so specified in the relevant Final Terms, and (ii) the number of Currency Business Days following the Final Fixing Date, the last Averaging Date, the Knock-in Observation Date, the Coupon Observation Date, the last Coupon Observation Averaging Date or the Trigger Barrier Observation Date, as specified in the relevant Final Terms (or if there are two or more such dates, the latest of such dates to occur).

**"Redemption Amount"** has the meaning given to it in the Product Conditions.

**"Settlement Currency"** means the currency in which a payment is to be made.

**"Share Amount"** has the meaning given to it in the Product Conditions.

**"TARGET Business Day"** means a day on which the TARGET2 System or any successor thereto is operating, where **"TARGET2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**"Transferable Number of Securities"** means the number so specified in the relevant Final Terms.

18. **Governing Law and Jurisdiction**

The Securities and the Global Security, and any non-contractual obligations arising out of or in relation to the Securities and the Global Security, are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees for the benefit of the Securityholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and, where the Issuer is CS, the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Certificate Condition 18 shall limit any right to take Proceedings against the Issuer, or, where the Issuer is CS, the relevant Branch in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

CS appoints its London Branch as its agent for service of process in England in respect of any Proceedings against CS.

## ADDITIONAL PROVISIONS RELATING TO CERTIFICATES

### PROVISIONS RELATING TO CERTIFICATES IN EUROCLEAR FINLAND

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Certificates and that the Clearing System is Euroclear Finland.*

#### **Form of Securities**

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the Euroclear Finland Rules (as defined below).

#### **Financial Centre(s)**

Financial Centres shall not be applicable for the definition of "Currency Business Day".

#### **Stock Exchange(s)**

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Nordic. If Euroclear Finland ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Nordic, subject to the applicable law and the rules of NASDAQ OMX Nordic.

#### **Names and Addresses**

##### **Clearing System:**

Euroclear Finland Oy ("**Euroclear Finland**")  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

##### **Issuing and Paying Agent:**

Nordea Securities Services  
Aleksis Kiven katu 3-5  
Helsinki  
FI-00020 Nordea  
Finland

##### **Registrar:**

Euroclear Finland Oy  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

#### **Additional Provisions**

The following provisions shall apply and, notwithstanding any provisions in the General Certificate Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Finland Rules, in the sole opinion of Euroclear Finland:

- (a) Title to the Securities will pass by transfer from a Securityholder's book-entry account to another book-entry account within Euroclear Finland (except where the Securities are nominee-registered and are transferred from one account to another account with the same nominee) perfected in accordance with the Finnish legislation, rules and regulations applicable to and/or issued by Euroclear Finland that are in force and effect from time to time (the "**Euroclear Finland Rules**"), and paragraphs (a) and (c) of General Certificate Condition 1 shall not apply.

## Provisions Relating to Certificates in Euroclear Finland

**"Securityholder"** and **"holder"** mean a person in whose name a Security is registered in a book-entry account in the book-entry system of Euroclear Finland or any other person recognised as a holder of a Security pursuant to the Euroclear Finland Rules.

- (b) No Global Security in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Finland Rules and the first sentence of General Certificate Condition 3(e) shall not apply. For Certificates registered as Notes in Euroclear Finland the record date for payment is the first Currency Business Day before the due date for payment. For Certificates registered as Warrants in Euroclear Finland, the record date for payment is the third Currency Business Day before the due date for payment. Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Helsinki.
- (d) All Securities will be registered in the book-entry system of Euroclear Finland.
- (e) The relevant Issuer or the Issuing and Paying Agent shall be entitled to obtain from Euroclear Finland extracts from the book-entry registers of Euroclear Finland relating to the Securities.
- (f) By delivering a notice pursuant to General Certificate Condition 3(d), the Securityholder authorises the relevant Issuer or its representative to transfer the Securities to a designated account or, at the discretion of such Issuer or its representative, to register a transfer restriction in respect of the Securityholder's Securities on the Securityholder's book-entry account. A Securityholder's notice pursuant to General Certificate Condition 3(d) shall not take effect unless and until such transfer or registration has been completed.

## PROVISIONS RELATING TO CERTIFICATES IN EUROCLEAR SWEDEN

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Certificates and that the Clearing System is Euroclear Sweden.*

### Form of Securities

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the Euroclear Sweden Rules (as defined below).

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Stockholm. If Euroclear Sweden ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Stockholm.

### Names and Addresses

**Clearing System and Registrar** (*central värdepappersförvarare* under the Swedish Financial Instruments Accounts Act):

Euroclear Sweden AB ("**Euroclear Sweden**") Corp. Reg. No. 556112-8074  
Box 191  
SE-101 23 Stockholm  
Sweden

**Issuing Agent** (*emissionsinstitut*) under the Euroclear Sweden Rules (which shall be treated as a Certificate Agent for the purposes of General Certificate Condition 7):

Nordea Bank AB (publ)  
Smålandsgatan 24  
SE-105 71 Stockholm  
Sweden

### Additional Provisions

The following provisions shall apply and, notwithstanding any provisions in the General Certificate Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Sweden Rules, in the sole opinion of Euroclear Sweden:

- (a) Title to the Securities will pass by transfer between accountholders at Euroclear Sweden, perfected in accordance with the legislation (including the Swedish Financial Instruments Accounts Act (SFS 1998:1479)), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time (the "**Euroclear Sweden Rules**"), and General Certificate Condition 1 shall not apply. No such transfer may take place during the five Banking Days in Stockholm immediately preceding the Maturity Date or on the Maturity Date.

"**Securityholder**" and "**holder**" mean a person in whose name a Security is registered in a Euroclear Sweden Account in the book-entry settlement system of Euroclear Sweden or any other person recognised as a holder of Securities pursuant to the Euroclear Sweden Rules and accordingly, where Securities are held through a registered nominee, the nominee shall be deemed to be the holder.

- (b) No Global Security in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Sweden Rules and the first sentence of General Certificate Condition 3(e) shall not apply. Securityholders will not be entitled to any

## Provisions Relating to Certificates in Euroclear Sweden

interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Stockholm and London.

- (d) All Securities will be registered in the book-entry system of Euroclear Sweden.
- (e) The relevant Issuer shall be entitled to obtain from Euroclear Sweden extracts from the book-entry registers of Euroclear Sweden (*skuldbok*) relating to the Securities for the purposes of performing its obligations pursuant to the Conditions.
- (f) A Securityholder's Notice pursuant to General Certificate Condition 3(d) or, as applicable, General Certificate Condition 10 shall not take effect unless and until the relevant Securityholder's Securities have been duly blocked for further transfers (by transfer to an account designated by the Issuing Agent or otherwise in accordance with the Euroclear Sweden Rules).
- (g) In the case of a meeting of Securityholders, the relevant Issuer may prescribe such further provisions in relation to the holding of meetings as it may determine to be appropriate in order to take account of the Euroclear Sweden Rules.
- (h) No substitution of the relevant Issuer pursuant to General Certificate Condition 15 shall be made without the prior consent of Euroclear Sweden.

## PROVISIONS RELATING TO CERTIFICATES IN VPS

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Certificates and that the Clearing System is VPS.*

### Form of Securities

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the VPS Rules (as defined below).

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on Oslo Børs.

### Names and Addresses

#### Securities Depository:

Verdipapirsentralen ASA ("**VPS**")  
Fred Olsens gate 1  
Postboks 4  
0051 Oslo  
Norway

**Issuing Agent and Registrar** (*kontofører utsteder* under the Norwegian Securities Register Act dated 5 July 2002 no. 64):

Nordea Bank Norge ASA  
Securities Services – Issuer Services  
Essendrops gate 7  
P.O. Box 1166 Sentrum  
0107 Oslo  
Norway

### Additional Provisions

The following provisions shall apply and, notwithstanding any provisions in the General Certificate Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the VPS Rules, in the sole opinion of VPS:

- (a) Title to the Securities will pass by transfer between accountholders at VPS, perfected in accordance with the legislation, rules and regulations applicable to and/or issued by VPS that are in force and effect from time to time (the "**VPS Rules**"), and paragraphs (a) and (c) of General Certificate Condition 1 shall not apply. No such transfer may take place during the ten Banking Days in Oslo (or such other period as VPS may specify) immediately preceding the Maturity Date or on the Maturity Date.

**"Securityholder"** and **"holder"** mean a person in whose name a Security is registered in a VPS Account in the book-entry system of VPS or any other person recognised as a holder of Securities pursuant to the VPS Rules.

- (b) No Global Securities in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the VPS Rules and the first sentence of General Certificate Condition 3(e) shall not apply. The record date for payment is the tenth Banking Day in Oslo (or such other date as VPS may specify) before the due date for payment. Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Oslo.

## Provisions Relating to Certificates in VPS

- (d) All Securities will be registered in the book-entry system of VPS.
- (e) The relevant Issuer may prescribe such additional requirements in relation to the exercise of Securityholders' put options pursuant to General Certificate Condition 3(d) as it may determine to be appropriate in order to take account of the VPS Rules.

## GENERAL TERMS AND CONDITIONS OF WARRANTS

*The following is the text of the general terms and conditions ("**General Warrant Conditions**") that, together with any applicable Additional Provisions, any applicable Product Conditions and any applicable Asset Terms (as specified in the relevant Final Terms) and subject to the provisions of the relevant Final Terms, shall be applicable to Securities for which the relevant General Terms and Conditions are specified in the relevant Final Terms as being those of "Warrants". References in the Conditions to "Securities" are to the Securities of one series only, not to all Securities that may be issued under the Programme. Definitions used in these General Warrant Conditions shall not apply in relation to any of the other General Terms and Conditions contained in this Base Prospectus.*

In relation to the Securities (which expression shall include any Securities issued pursuant to General Warrant Condition 9), the Issuers have executed an agency agreement dated 10 July 2013 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") with The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Final Terms) as issuing agent and principal warrant agent (the "**Principal Warrant Agent**", which expression shall include, wherever the context so admits, any successor principal warrant agent). The warrant agent, the registrar, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Warrant Agent**" (which expression shall include the Principal Warrant Agent and any substitute or additional warrant agent), the "**Registrar**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Warrant Agent, the Registrar and the Calculation Agent(s) and together with any other agents specified in the relevant Final Terms, the "**Agents**"). The Securityholders (as defined in General Warrant Condition 1(b)) are deemed to have notice of all the provisions of the Agency Agreement applicable to them. CS has executed a general deed of covenant by deed poll dated 10 July 2013 (the "**CS Deed of Covenant**") in favour of Securityholders from time to time in respect of Securities issued by CS from time to time under which it has agreed to comply with the terms of all such Securities. CSi has executed a general deed of covenant by deed poll dated 10 July 2013 (the "**CSi Deed of Covenant**") in favour of Securityholders from time to time in respect of Securities issued by CSi from time to time under which it has agreed to comply with the terms of all such Securities. Copies of the Agency Agreement (including the form of global security referred to below), the CS Deed of Covenant and the CSi Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of the Warrant Agents.

The Securities of any Series are subject to these General Warrant Conditions, as modified and/or supplemented by any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms and the relevant final terms (the "**Final Terms**") relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**"). The relevant Securities will (unless otherwise specified) be represented by a global security (the "**Global Security**").

Expressions used herein and not defined shall have the meaning given to them in any applicable Additional Provisions, any applicable Product Conditions, any applicable Asset Terms or the relevant Final Terms. In the event of any inconsistency between the General Warrant Conditions, the applicable Product Conditions, the applicable Asset Terms and the relevant Final Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Final Terms;
- (b) the applicable Product Conditions;
- (c) the applicable Asset Terms;
- (d) the applicable Additional Provisions (if any); and
- (e) the General Warrant Conditions.

Except in relation to General Warrant Conditions 11, 16 and 19 references herein to the "Issuer" shall be to CS acting through its London Branch, its Nassau Branch or its Singapore Branch (each, a "**Branch**") or CSi, as the case may be, (as specified in the relevant Final Terms). In relation to General Warrant Conditions 11, 16 and 19, references to "Issuer" shall be to CS or CSi, as the case may be, (as specified in the relevant Final Terms).

1. **Form, Title and Transfer**

(a) **Form**

The Securities shall be issued in registered form and shall be represented at all times by the Global Security deposited outside the United Kingdom with, or with a common depository for, the Clearing System(s) (the "**Registered Global Security**"). Securities in definitive form shall not be issued.

(b) **Title**

Subject as provided below, title to the Securities shall pass by registration in the register (the "**Register**") maintained in accordance with the provisions of the Agency Agreement.

Each person being referred to herein as a "**Securityholder**" or "**holder**" shall, for the purposes of these General Warrant Conditions, be:

- (i) in the case of Securities clearing through the relevant Clearing System(s) (other than Securities clearing through Monte Titoli), each person for the time being appearing in the records of the relevant Clearing System(s) as the holder of a Security (other than one Clearing System to the extent that it appears on the books of another Clearing System) and such person shall be treated for all purposes by the Issuer, the Warrant Agents and the relevant Clearing System(s) as the Securityholder, other than with respect to the payment of any amount due under the terms of the Securities, for which purpose the Securityholder shall be the person in whose name the Registered Global Security is registered in accordance with and subject to its terms, notwithstanding any notice to the contrary; and
- (ii) in the case of Securities clearing through Monte Titoli, each person whose name appears as being entitled to a Security in the books of a financial intermediary (an Italian bank, broker or agent authorised to maintain securities accounts on behalf of its clients) (an "**Account Holder**") and who is entitled to such Security according to the books of Monte Titoli, and such person shall be treated for all purposes as the Securityholder thereof.

References to "**Clearing System(s)**" are to Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or such other clearing system specified in the relevant Final Terms with or on behalf of which the Global Security is deposited. References to "**Monte Titoli**" are to Monte Titoli S.p.A.

(c) **Transfer**

Transfers of Securities may be effected only in integral multiples of the Transferable Number of Securities, subject to a minimum of any Minimum Trading Lot specified in the relevant Final Terms and (i) in the case of Securities held through Monte Titoli, through the relevant Account Holder, or (ii) in the case of Securities held through another Clearing System, through such Clearing System. Transfers may be effected only upon registration of the transfer in the books of (i) in the case of Securities held through Monte Titoli, the relevant Account Holder, or (ii) in the case of Securities held in another Clearing System, such Clearing System.

2. **Status**

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and rateably without any preference among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

3. **Exercise Rights**

(a) ***Exercise of Securities***

(i) *Automatic Exercise*

Each Warrant shall (unless, if American Style applies, previously exercised) be deemed to have been automatically exercised on the Expiration Date (subject to prior termination or cancellation of the Securities in accordance with General Warrant Conditions 6 and 7).

(ii) *American Style*

The following applies only to Securities specified to be American Style:

Each Warrant is exercisable (subject to General Warrant Conditions 3(a)(i) and 4), free of charge on any Exercise Business Day during the period from, but excluding, the Issue Date to, and including, the Exercise Business Day before the Expiration Date (the "**Exercise Period**") subject to prior termination or cancellation of the Securities as provided in General Warrant Conditions 6 and 7.

The Securities may be exercised only in the Minimum Exercise Number specified in the relevant Final Terms and an Exercise Notice (as defined in General Warrant Condition 4(a)) that purports to exercise Securities in a number smaller than the Minimum Exercise Number shall be void.

If a Maximum Exercise Number is specified in the relevant Final Terms then if, other than in the case of the Expiration Date, the Issuer determines that the Valuation Date (or if more than one, the initial Valuation Date) of more than the Maximum Exercise Number of Securities would, except as a consequence of this provision otherwise fall on the same date, the Issuer may deem the Valuation Date (or if more than one, the initial Valuation Date) for the Maximum Exercise Number of such Securities to be the originally applicable Valuation Date for such Securities, and the relevant Valuation Date for the remainder of such Securities to be (subject to the applicable Asset Terms) postponed to the next day which is a Banking Day in the city of the Principal Warrant Agent and, if different, a Banking Day in London following such Valuation Date. The order of receipt by the Principal Warrant Agent of the notifications to it under General Warrant Condition 4(c) shall govern the priority of Securities for selection by the Issuer for such postponement.

(iii) *European Style*

Securities that are specified to be European Style are only exercisable on the Expiration Date.

(iv) *Bermudan Style*

Securities that are specified to be Bermudan Style are exercisable on one or more potential Exercise Dates and on the Expiration Date.

(b) ***Entitlement on exercise of Securities***

## General Terms and Conditions of Warrants

Securities which have been duly exercised or deemed exercised entitle the relevant Securityholder to require the Issuer to pay, subject to the Conditions of the Securities, the Settlement Amount in respect of such Securities in the Settlement Currency on the Settlement Date in accordance with the Conditions.

### 4. **Exercise Procedure**

This General Warrant Condition 4 only applies to Securities to which "American Style" is specified to apply in the relevant Final Terms.

#### (a) **Exercise Notice**

To exercise Securities, instructions in the form and with the content prescribed by the relevant Clearing System through which the relevant Securityholder exercises its Securities (an "**Exercise Notice**") must be given to that Clearing System on any day during the Exercise Period.

Each Exercise Notice shall be deemed to constitute an irrevocable election by the holder of the number of Securities specified in it to exercise such Securities. Thereafter such Securities may not be transferred.

#### (b) **Verification**

In accordance with its normal operating procedures, the relevant Clearing System will verify that, according to its records, each person exercising Securities has Securities in the amount being exercised in its securities account with the relevant Clearing System. If the relevant Clearing System determines that an Exercise Notice is improperly completed or that the relevant Securityholder has insufficient Securities in its Clearing System account, the Exercise Notice will be treated as void and a new duly completed Exercise Notice must be submitted if exercise of the holder's Securities is still desired and possible. Such a determination shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Securityholder.

#### (c) **Notification of Principal Warrant Agent and Debit of Securityholder's Account**

The relevant Clearing System will, in accordance with its normal operating procedures, notify the Principal Warrant Agent of the exercise of the relevant Securities and debit the Securities being exercised from the relevant account of the Securityholder.

### 5. **Payments**

#### (a) **Payments**

Payments in respect of Securities will be made to the relevant Clearing System(s) for credit to the account of the person shown on the Register at the close of business on the date (the "**Record Date**") which is the Clearing System Business Day immediately prior to the due date for payment thereof, where "Clearing System Business Day" means each day from Monday to Friday inclusive except 25 December and 1 January.

The holder of the Registered Global Security will be the only person entitled to receive payments in respect of Securities represented by such Registered Global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Registered Global Security in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number of Securities represented by such Registered Global Security must look solely to such Clearing System for its share of each payment so made by the Issuer. No person other than the holder of such Registered Global Security shall have any claim against the Issuer in respect of any payments due on that Registered Global Security.

Payment by the Issuer of any amount payable in respect of a Security will be subject in all cases to all applicable fiscal and other laws, regulations and directives and the rules and procedures of the relevant Clearing System(s). Neither the Issuer nor any Warrant Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in the performance of its duties in relation to the Securities.

(b) **Non-Currency Business Days**

If any date for payment in respect of any Security is not a Currency Business Day, Securityholders shall not be entitled to payment until the next following Currency Business Day or to any interest or other sum in respect of such postponed payment.

6. **Illegality**

If the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an "**Illegality**"), then the Issuer may, if and to the extent permitted by applicable law, either (a) make such adjustment to the Conditions as may be permitted by any applicable Asset Terms or (b) cancel the Securities and, having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Warrant Condition 10, redeem the Securities at their Early Payment Amount. In the case of (b), no Security may be exercised once cancelled.

7. **Purchases**

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

8. **Appointment of Agents**

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Final Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (a) a Principal Warrant Agent, (b) a Registrar and (c) so long as the Securities are listed on any stock exchange and the rules of that stock exchange or the relevant competent authority so require, such Paying Agents or other agents as may be required by the rules of such stock exchange or competent authority.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

9. **Further Issues**

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities (save possibly for the issue price) (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to "Securities" shall be construed accordingly.

10. **Notices**

Notices to the holders of Securities which are listed on a stock exchange shall be given in such manner as the rules of such exchange or the relevant authority may require (in the case of the Luxembourg Stock Exchange by publication on [www.bourse.lu](http://www.bourse.lu)). In addition, so long as any Securities are held in or on behalf of a Clearing System, notices to the holders of such Securities may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Final Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to be given by a Securityholder shall (in the case of a Security not held in or on behalf of a Clearing System) be in writing and given by being lodged with a Warrant Agent. Where Securities are held in or on behalf of a Clearing System, such notices may be given by the holder of a Security through the relevant Clearing System in such manner as the relevant Clearing System may approve for this purpose together with confirmation from the Clearing System of the Securityholder's holding of Securities.

Where Securities are held in or on behalf of a Clearing System but such Clearing System does not permit notices to be sent through it, such notices may be given by the relevant Securityholder in writing by being lodged with a Warrant Agent, subject to the Securityholder providing evidence from the Clearing System satisfactory to the Issuer of the Securityholder's holding of Securities.

11. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date;
- (b) where the Issuer is CS acting through its London Branch, its Nassau Branch or its Singapore Branch, CS is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of CS; or
- (c) where the Issuer is CSi, a resolution is passed, or a final order of a court in the United Kingdom is made, and where not possible, not discharged or stayed within a period of 90 days, that CSi be wound up or dissolved,

then the holder of any Security may, by notice in writing given to the Warrant Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Early Payment

Amount unless prior to the time when the Warrant Agent receives such notice all Events of Default have been cured.

**12. Calculations and Determinations**

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Conditions shall be made in accordance with the terms of the relevant Conditions having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Securityholders.

Neither the Issuer nor the Calculation Agent shall have any responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

**13. Taxation**

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, exercise or enforcement of any Security, including, without limitation, the payment of any Settlement Amount. The Issuer shall have the right to withhold or deduct from any amount payable to the Securityholder such amount as is necessary (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Warrant Condition 13.

**14. Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions. Such a meeting may be convened by Securityholders holding not less than one tenth of the number of Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority of the number of Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the number of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable

on redemption of, the Securities, (c) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (d) to vary the currency or currencies of payment or nominal amount of the Securities, (e) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (f) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., of the number of Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the number of Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

15. **Modification**

The Issuer may modify the Conditions (and (a) (i) in the case of CS, the CS Deed of Covenant, (ii) in the case of CSi, the CSi Deed of Covenant and (b) together with the other parties thereto, the Agency Agreement) without the consent of any Securityholder for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders or (b) correcting a manifest error. Notice of any such modification will be given to the Securityholders in accordance with General Warrant Condition 10.

16. **Substitution of the Issuer**

The Issuer, or any previously substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any Affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its property, subject to:

- (a) where the Substitute is an Affiliate of the Issuer, the Substitute having a long-term unsecured debt rating equal to or higher than that of the Issuer given by Moody's Investors Service, Inc. (or an equivalent rating from another internationally recognised rating agency) or having the benefit of a guarantee from the Issuer or another Affiliate of the Issuer with such a debt rating;
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Warrant Condition 10.

In the event of any substitution of the Issuer, any reference in the Conditions to the "Issuer" shall thenceforth be construed as a reference to the Substitute.

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, and any entity under common control with the Issuer.

The Issuer shall also have the right upon notice to Securityholders in accordance with General Warrant Condition 10 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

17. **Third Parties**

No person shall have any right to enforce any of the Conditions of the Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Securities expressly provide that it shall apply to any of their terms.

18. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAN**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**Nkr**" and "**NOK**" are to Norwegian Krone, references to "**SGD**" are to Singapore dollars, references to "**SEK**" and "**SKr**" are to Swedish Krona, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Additional Provisions**" means any of the Provisions relating to Warrants in Euroclear Finland, the Provisions relating to Warrants in Euroclear Sweden or the Provisions relating to Warrants in VPS, in each case (a) where the relevant Clearing System is specified as applicable in the relevant Final Terms relating to the relevant Securities and (b) on the terms as set forth in the Base Prospectus as referred to in such Final Terms.

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Clearing System Business Day**" means a day on which the relevant Clearing System is open for business.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Final Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Business Day.

"**Early Payment Amount**" means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (if "Deduction for Hedge Costs" is specified to be applicable in the relevant Final Terms) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements in relation to such Securities, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

"**Exercise Business Day**" means a day which is a Clearing System Business Day in respect of the Clearing System through which the relevant Securityholder exercises its Securities.

"**Exercise Date**" means the date specified in the relevant Final Terms or the day during the Exercise Period on which a Security is, or is deemed to be, exercised in accordance with the Conditions.

**"Expiration Date"** means the date so specified in the relevant Final Terms.

**"Extraordinary Resolution"** means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

**"Financial Centre"** means each of the places so specified in the relevant Final Terms.

**"Issue Date"** means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or
- (b) the number of Currency Business Days following the Initial Setting Date, as specified in the relevant Final Terms.

**"Issue Price"** means the amount so specified in the relevant Final Terms.

**"Maximum Exercise Number"** means the maximum number of Securities which may be exercised on any Exercise Business Day within the Exercise Period, as specified in the relevant Final Terms.

**"Minimum Exercise Number"** means the minimum number of Securities which may be exercised on any Exercise Business Day within the Exercise Period, as specified in the relevant Final Terms.

**"Relevant Exchange Rate"** means the reference exchange rate for the conversion of the relevant currency into the Settlement Currency (or, if no such direct exchange rates are published, the effective rate resulting from the application of rates into and out of one or more intermediate currencies) as the Issuer may determine to be the prevailing spot rate for such exchange.

**"Settlement Amount"** has the meaning given to it in the Product Conditions.

**"Settlement Currency"** means the currency in which a payment is to be made.

**"Settlement Date"** means the number of Currency Business Days following the Expiration Date or the relevant Exercise Date, as specified in the relevant Final Terms.

**"TARGET Business Day"** means a day on which the TARGET2 System or any successor thereto is operating, where **"TARGET2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**"Transferable Number of Securities"** means the number so specified in the relevant Final Terms.

**"Valuation Date"** means:

- (a) in the case of Securities specified to be American Style, subject to adjustment as provided in the applicable Asset Terms, the earlier of (i) the Banking Day in the city of the Principal Warrant Agent and, if different, the Banking Day in London following the Verification Date and (ii) the Expiration Date; or
- (b) in the case of Securities specified to be European Style, the Expiration Date, subject to adjustment as provided in the applicable Asset Terms.

**"Verification Date"** means the day on which the Principal Warrant Agent receives the notification required by General Warrant Condition 4(c) provided that if such day is not a Banking Day in the city of the Principal Warrant Agent and, if different, London or if such notification is received after 12.00 noon (London time) on such day, the Verification Date shall be the next such Banking Day.

19. **Governing Law and Jurisdiction**

The Securities and the Global Security, and any non-contractual obligations arising out of or in relation to the Securities and the Global Security, are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees for the benefit of the Securityholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer, and, where the Issuer is CS, the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Warrant Condition 19 shall limit any right to take Proceedings against the Issuer or, where the Issuer is CS, the relevant Branch in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

CS appoints its London Branch as its agent for service of process in England in respect of any Proceedings against CS.

## **ADDITIONAL PROVISIONS RELATING TO WARRANTS**

### **PROVISIONS RELATING TO WARRANTS IN EUROCLEAR FINLAND**

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Warrants and that the Clearing System is Euroclear Finland.*

#### **Form of Securities**

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the Euroclear Finland Rules (as defined below).

#### **Financial Centre(s)**

Financial Centres shall not be applicable for the definition of "Currency Business Day".

#### **Stock Exchange(s)**

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Nordic. If Euroclear Finland ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Nordic, subject to the applicable law and the rules of NASDAQ OMX Nordic.

#### **Names and Addresses**

##### **Clearing System:**

Euroclear Finland Oy ("**Euroclear Finland**")  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

##### **Issuing and Paying Agent:**

Nordea Securities Services  
Aleksis Kiven katu 3-5  
Helsinki  
FI-00020 Nordea  
Finland

##### **Registrar:**

Euroclear Finland Oy  
Urho Kekkosen katu 5C  
00100 Helsinki  
Finland

#### **Additional Provisions**

The following provisions shall apply and, notwithstanding any provisions in the General Warrant Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Finland Rules, in the sole opinion of Euroclear Finland:

- (a) Title to the Securities will pass by transfer from a Securityholder's book-entry account to another book-entry account within Euroclear Finland (except where the Securities are nominee-registered and are transferred from one account to another account with the same nominee) perfected in accordance with the Finnish legislation, rules and regulations applicable to and/or issued by Euroclear Finland that are in force and effect from time to time (the "**Euroclear Finland Rules**"), and paragraphs (a) and (c) of General Warrant Condition 1 shall not apply.

**"Securityholder"** and **"holder"** mean a person in whose name a Security is registered in a book-entry account in the book-entry system of Euroclear Finland or any other person recognised as a holder of a Security pursuant to the Euroclear Finland Rules.

- (b) No Global Security in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Finland Rules and the first sentence of General Warrant Condition 5(a) shall not apply. The record date for payment is the third Currency Business Day before the due date for payment. Securityholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Helsinki.
- (d) All Securities will be registered in the book-entry system of Euroclear Finland.
- (e) The relevant Issuer and the Issuing and Paying Agent shall be entitled to obtain from Euroclear Finland extracts from the book-entry registers of Euroclear Finland relating to the Securities.

## PROVISIONS RELATING TO WARRANTS IN EUROCLEAR SWEDEN

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Warrants and that the Clearing System is Euroclear Sweden.*

### Form of Securities

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the Euroclear Sweden Rules (as defined below).

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on NASDAQ OMX Stockholm. If Euroclear Sweden ceases to be the Registrar, the Securities will cease to be listed on NASDAQ OMX Stockholm.

### Names and Addresses

**Clearing System and Registrar** (*central värdepappersförvarare* under the Swedish Financial Instruments Accounts Act):

Euroclear Sweden AB ("**Euroclear Sweden**") Corp. Reg. No. 556112-8074  
Box 191  
SE-101 23 Stockholm  
Sweden

**Issuing Agent** (*emissionsinstitut*) under the Euroclear Sweden Rules (which shall be treated as a Warrant Agent for the purposes of General Warrant Condition 8):

Nordea Bank AB (publ)  
Smålandsgatan 24  
SE-105 71 Stockholm  
Sweden

### Additional Provisions

The following provisions shall apply and, notwithstanding any provisions in the General Warrant Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the Euroclear Sweden Rules, in the sole opinion of Euroclear Sweden:

- (a) Title to the Securities will pass by transfer between accountholders at Euroclear Sweden, perfected in accordance with the legislation (including the Swedish Financial Instruments Accounts Act (SFS 1998:1479)), rules and regulations applicable to and/or issued by Euroclear Sweden that are in force and effect from time to time (the "**Euroclear Sweden Rules**"), and General Warrant Condition 1 shall not apply. No such transfer may take place during the five Banking Days in Stockholm immediately preceding the Settlement Date or on the Settlement Date.

"**Securityholder**" and "**holder**" mean a person in whose name a Security is registered in a Euroclear Sweden Account in the book-entry settlement system of Euroclear Sweden or any other person recognised as a holder of Securities pursuant to the Euroclear Sweden Rules and accordingly, where Securities are held through a registered nominee, the nominee shall be deemed to be the holder.

- (b) No Global Security in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the Euroclear Sweden Rules and the first sentence General Warrant Condition 5(a) shall not apply. Securityholders will not be entitled to any interest or

other payment for any delay after the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Stockholm and London.

- (d) All Securities will be registered in the book-entry system of Euroclear Sweden.
- (e) The relevant Issuer shall be entitled to obtain from Euroclear Sweden extracts from the book-entry registers of Euroclear Sweden (*skuldbok*) relating to the Securities for the purposes of performing its obligations pursuant to the Conditions.
- (f) In respect of Securities registered with Euroclear Sweden and to which "American Style" is specified to apply in the relevant Final Terms, the relevant Final Terms will contain the necessary provisions regarding the procedures for exercising such Securities during the relevant Exercise Period and the procedures for verifying any such exercise and Condition 4 shall be amended and construed accordingly.
- (g) A Securityholder's Notice pursuant to General Warrant Condition 11 shall not take effect unless and until the relevant Securityholder's Securities have been duly blocked for further transfers (by transfer to an account designated by the Issuing Agent or otherwise in accordance with the Euroclear Sweden Rules).
- (h) In the case of a meeting of Securityholders, the relevant Issuer may prescribe such further provisions in relation to the holding of meetings as it may determine to be appropriate in order to take account of the Euroclear Sweden Rules.
- (i) No substitution of the relevant Issuer pursuant to General Warrant Condition 16 shall be made without the prior consent of Euroclear Sweden.

## PROVISIONS RELATING TO WARRANTS IN VPS

*The following provisions apply to Securities in respect of which the relevant Final Terms specify that the applicable General Terms and Conditions are those of Warrants and that the Clearing System is VPS.*

### Form of Securities

The Securities shall be registered Securities ("**Registered Securities**") in book-entry form in accordance with the VPS Rules as defined below.

### Stock Exchange

If so specified in the relevant Final Terms, application will be made to list the Securities on Oslo Børs.

### Names and Addresses

#### Securities Depository:

Verdipapirsentralen ASA ("**VPS**")  
Fred Olsens gate 1  
Postboks 4  
0051 Oslo  
Norway

**Issuing Agent and Registrar** (*kontofører utsteder* under the Norwegian Securities Register Act dated 5 July 2002 no. 64):

Nordea Bank Norge ASA  
Securities Services – Issuer Services  
Essendrops gate 7  
P.O. Box 1166 Sentrum  
0107 Oslo  
Norway

### Additional Provisions

The following provisions shall apply and, notwithstanding any provisions in the General Warrant Conditions, may not be amended, modified or set aside other than in such manner as may be acceptable under the VPS Rules, in the sole opinion of VPS:

- (a) Title to the Securities will pass by transfer between accountholders at VPS, perfected in accordance with the legislation, rules and regulations applicable to and/or issued by VPS that are in force and effect from time to time (the "**VPS Rules**"), and paragraphs (a) and (c) of General Warrant Condition 1 shall not apply. No such transfer may take place during the ten Banking Days in Oslo (or such other period as VPS may specify) immediately preceding the Settlement Date or on the Settlement Date.

**"Securityholder"** and **"holder"** mean a person in whose name a Security is registered in a VPS Account in the book-entry system of VPS or any other person recognised as a holder of Securities pursuant to the VPS Rules.

- (b) No Global Security in respect of the Securities will be issued.
- (c) Payments in respect of the Securities will be effected in the Settlement Currency in accordance with the VPS Rules and the first sentence of General Warrant Condition 5(a) shall not apply. The record date for payment is the tenth Banking Day in Oslo (or such other date as VPS may specify) before the due date for payment. Securityholders will not be entitled to any interest or other payment for any delay after

the due date in receiving the amount due as a result of the due date for payment not being a Banking Day in Oslo.

- (d) All Securities will be registered in the book-entry system of VPS.

## **ADDITIONAL PROVISIONS FOR ITALIAN SECURITIES**

### **Additional Provisions for Notes and Certificates listed on Borsa Italiana S.p.A.**

If the relevant Final Terms specify that the Additional Provisions for Notes listed on Borsa Italiana S.p.A. (in the case of Notes) or the Additional Provisions for Certificates listed on Borsa Italiana S.p.A. (in the case of Certificates) are applicable, then the definition of "Disruption Cash Settlement Price" in Product Condition 4(c) shall be deemed to be deleted and replaced by the following:

**"Disruption Cash Settlement Price"** means in respect of each Security, an amount in the Settlement Currency equal to the fair market value of the Share Amount (taking into account, where the Settlement Disruption Event affected some but not all of the Shares comprising the Share Amount and such non-affected Shares have been duly delivered, the value of such Shares), all as determined by the Issuer."

### **Additional Provisions for Notes listed on Borsa Italiana S.p.A.**

If the relevant Final Terms specify that the Additional Provisions for Notes listed on Borsa Italiana S.p.A. are applicable then the General Note Conditions shall apply and will be deemed amended as follows:

#### **General Note Condition 5(b) (Early Redemption)**

General Note Condition 5(b) shall be deemed to be deleted and replaced by the following:

"The Early Payment Amount payable in respect of any Security upon redemption of such Security pursuant to General Note Condition 5(c) or upon it becoming due and payable as provided in General Note Condition 8, shall be its Specified Denomination."

#### **General Note Condition 10 (Modification)**

General Note Condition 10 shall be deemed to be deleted in its entirety and replaced by the following:

"The Issuer may modify the Conditions without the consent of any Securityholder for the purposes of curing any ambiguity or correcting any material error, provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders. Notice of any such modification will be given to the Securityholders."

#### **General Note Condition 11 (Substitution of the Issuer)**

Clause (a) of General Note Condition 11 shall be deemed to be deleted and replaced by the following:

"(a) the obligations of the Substitute in respect of the Securities shall be unconditionally and irrevocably guaranteed by the Issuer;"

#### **General Note Condition 14 (Notices)**

General Note Condition 14 shall be amended by deleting the wording in brackets in the first sentence and replacing it with:

"(in the case of the Italian Stock Exchange, if and so long as the rules of the exchange so require, by publication on [www.borsaitaliana.it](http://www.borsaitaliana.it))"

#### **General Note Condition 18 (Miscellaneous Definitions)**

The definition of "Early Payment Amount" in General Note Condition 18 shall be deemed to be deleted and replaced by the following:

**"Early Payment Amount"** means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the

Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner."

**Additional Provisions for Certificates listed on Borsa Italiana S.p.A.**

If the relevant Final Terms specify that the Additional Provisions for Certificates listed on Borsa Italiana S.p.A. are applicable then the General Certificate Conditions shall apply and will be deemed amended as follows:

**General Certificate Condition 1(c) (Transfer)**

General Certificate Condition 1(c) shall be deemed to be deleted in its entirety and replaced by the following:

"Transfer

Italian Securities listed on Borsa Italiana S.p.A. shall be transferred in lots at least equal to the Minimum Trading Lot, as defined by the listing rules of the market organised and managed by Borsa Italiana S.p.A. (*Regolamento di Borsa Italiana*), or multiples thereof, as determined by Borsa Italiana S.p.A. and specified in the relevant Final Terms and (i) in the case of Securities held through Monte Titoli, through the relevant Account Holder, or (ii) in the case of Securities held through another Clearing System, through such Clearing System. Transfers may be effected only upon registration of the transfer in the books of (i) in the case of Securities held through Monte Titoli, the relevant Account Holder, or (ii) in the case of Securities held in another Clearing System, such Clearing System."

**General Certificate Condition 3(a) (Maturity Date)**

General Certificate Condition 3(a) shall be deemed to be deleted in its entirety and replaced by the following:

"Exercise

Each Certificate will (unless previously redeemed or purchased and cancelled) be automatically exercised on the Maturity Date at an amount per Certificate equal to the Redemption Amount, subject as provided in the following paragraph. Payments under the Certificates pursuant to automatic exercise on the Maturity Date will be made on the Maturity Date. For the purpose of this General Certificate Condition 3, the Maturity Date will be deemed to be the exercise date (the "**Exercise Date**"). The minimum number of Certificates that may be exercised in respect of a Securityholder is one (1) Certificate and in excess thereof by multiples thereof.

Prior to 10.00 a.m. (London time) on the date specified in the relevant Final Terms (the "**Renouncement Notice Cut-Off Date**") each Securityholder may renounce automatic exercise of such Certificate in compliance with the applicable laws and regulations, including the regulations of the Italian Stock Exchange, applicable from time to time, by delivering a renouncement notice (the "**Renouncement Notice**") to the Clearing System, with a copy to the Issuer and the Certificate Agent. Once delivered a Renouncement Notice will be irrevocable.

The Clearing System will, in accordance with its normal operating procedures, verify that each person delivering a Renouncement Notice is the Securityholder thereof according to its records. Subject thereto, the Clearing System will confirm to the Certificate Agent the series number and number of Certificates in respect of which Renouncement Notices have been delivered. Upon receipt of such confirmation, the Certificate Agent will inform the Issuer thereof.

Any determination as to whether a Renouncement Notice is duly completed and in proper form will be made by the Clearing System in consultation with the Certificate Agent and will be conclusive and binding on the Issuer, the Certificate Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in

proper form, or which is not copied to the Issuer and the Certificate Agent immediately after being delivered or sent to the Clearing System will be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the Clearing System, in consultation with the Certificate Agent, it will be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the Clearing System, with a copy to the Issuer and the Certificate Agent.

For the purpose of Borsa Italiana S.p.A., the expiry date (*data di scadenza*) will be the date so specified in the relevant Final Terms".

#### **General Certificate Condition 5 (Illegality)**

General Certificate Condition 5 - item (b) and the sentence immediately after item (b) shall be deemed to be deleted in its entirety and replaced by the following:

"(b) having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Certificate Condition 9, redeem the Securities at an amount determined by the Issuer as representing their fair market value on such day as the Issuer will select in good faith and in a commercially reasonable manner ignoring the effect of such Illegality. In the case of (b) no payments will be made pursuant to a Trigger Event (if applicable) or pursuant to automatic exercise at the Maturity Date after such notice has been given."

#### **General Certificate Condition 9 (Notices)**

General Certificate Condition 9 shall be deemed to be amended by deleting the wording in brackets in the first sentence and replacing it with:

"(in the case of the Italian Stock Exchange, if and so long as the rules of the exchange so require, by publication on [www.borsaitaliana.it](http://www.borsaitaliana.it))".

#### **General Certificate Condition 14 (Modification)**

General Certificate Condition 14 shall be deemed to be deleted in its entirety and replaced by the following:

"The Issuer may modify the Conditions without the consent of any Securityholder for the purposes of curing any ambiguity or correcting any material error, provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders. Notice of any such modification will be given to the Securityholders."

#### **General Certificate Condition 15 (Substitution of the Issuer)**

Clause (a) of General Certificate Condition 15 shall be deemed to be deleted and replaced by the following:

"(a) the obligations of the Substitute in respect of the Securities will be unconditionally and irrevocably guaranteed by the Issuer;"

#### **General Certificate Condition 17 (Miscellaneous Definitions)**

The definition of "Early Payment Amount" in General Certificate Condition 17 shall be deemed to be deleted and replaced by the following:

"**Early Payment Amount** means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner."

At the back of the Conditions a Schedule shall be deemed to be inserted:

**SCHEDULE**

**Renouncement Notice**

**NOTICE FROM THE BENEFICIAL OWNER TO ITS FINANCIAL INTERMEDIARY**

*(to be completed by the beneficial owner of the Securities for the valid renouncement of the automatic exercise of the Securities)*

**[Credit Suisse AG acting through its [London]/[Nassau]/[Singapore] Branch]/[Credit Suisse International]  
[title of Securities]  
linked to [●]  
Series [●] - [●]  
(the "Securities")**

To: [Financial Intermediary]

We the undersigned beneficial owners of the Securities hereby communicate that we are renouncing the automatic exercise on the Exercise Date of the rights granted by the Securities in accordance with the Terms and Conditions of the Securities.

The undersigned understands that if this Renouncement Notice is not duly completed and delivered as provided in the Terms and Conditions, or if this notice is determined to be incomplete or not in proper form (in the determination of the Financial Intermediary) it will be treated as null and void.

ISIN/[Series number] of the Securities: [●]

Number of Securities the subject of this notice: [●]

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Name of beneficial owner of the Securities

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Signature

## PRODUCT CONDITIONS

The Securities will be subject to the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions (as applicable), any applicable Additional Provisions and any applicable Asset Terms as specified in the relevant Final Terms and also to the following terms and conditions (the "**Product Conditions**").

### 1. General Definitions

**"Averaging Date"** means, subject to the applicable Asset Terms, each date so specified in the relevant Final Terms.

**"Final Fixing Date"** means the date so specified in the relevant Final Terms, provided that the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date.

**"Final Price"** means, in respect of an Underlying Asset, one of the following as specified in the relevant Final Terms:

- (a) the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the Final Fixing Date; or
- (b) the lowest, highest or average (as specified in the relevant Final Terms) of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on each of the Averaging Dates,

provided that, where the Level is without regard to the Valuation Time, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time".

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Initial Averaging Date"** means, subject to the applicable Asset Terms, each date so specified in the relevant Final Terms.

**"Initial Setting Date"** means, subject to the applicable Asset Terms, the date so specified in the relevant Final Terms.

**"Issue Date"** means one of the following as specified in the relevant Final Terms:

- (a) the date so specified in the relevant Final Terms; or
- (b) the number of Currency Business Days following the Initial Setting Date, as specified in the relevant Final Terms.

**"Level"** means the Share Price, Index Level, Commodity Reference Price, Commodity Index Level, value of the ETF Share, FX Rate, FX Index level, level of the Inflation Index, Interest Rate Index Level or Cash Index Level of the relevant Underlying Asset (and if not denominated in the Settlement Currency and "**Composite**" is specified in the relevant Final Terms for the relevant Underlying Asset, translated into the Settlement Currency at the prevailing exchange rate as determined by the Issuer, acting in good faith and in a commercially reasonable manner).

**"Nominal Amount"** means the nominal amount of each Security specified in the relevant Final Terms.

**"Settlement Currency"** means the currency so specified in the relevant Final Terms.

**"Strike Cap"** means, in respect of an Underlying Asset, an amount equal to the Strike Cap Percentage of the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the first Initial Averaging Date.

**"Strike Cap Percentage"** means, in respect of an Underlying Asset, a percentage so specified in the relevant Final Terms.

**"Strike Floor"** means, in respect of an Underlying Asset, an amount equal to the Strike Floor Percentage of the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the first Initial Averaging Date.

**"Strike Floor Percentage"** means, in respect of an Underlying Asset, a percentage so specified in the relevant Final Terms.

**"Strike Price"** means, in respect of an Underlying Asset, one of the following as specified in the relevant Final Terms:

- (a) the Level specified in the relevant Final Terms; or
- (b) the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the Initial Setting Date; or
- (c) the lowest, highest or average (as specified in the relevant Final Terms) of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on each of the Initial Averaging Dates, and in each case subject to the Strike Floor and/or Strike Cap if specified as applicable in the relevant Final Terms.

**"Underlying Asset"** means the relevant asset so specified in the relevant Final Terms.

**"Underlying Asset Return"** means, in respect of each Underlying Asset, (a) for the purposes of the definition of "Accrual Condition" only, an amount equal to the Level of such Underlying Asset on the relevant Accrual Day (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) divided by its Strike Price, or (b) in all other cases, an amount equal to the Final Price divided by the Strike Price.

**"Worst Performing Underlying Asset"** means the Underlying Asset with the lowest Underlying Asset Return, provided that if two or more Underlying Assets have the same lowest Underlying Asset Return, then the Issuer shall determine, in its discretion, which Underlying Asset shall be the Worst Performing Underlying Asset and such Underlying Asset shall be deemed to be the Worst Performing Underlying Asset.

## 2. **Coupon Amounts**

If so provided in the relevant Final Terms, the Securities shall entitle the Securityholders to a payment of an amount (the "**Coupon Amount**") per Security on a Coupon Payment Date calculated in accordance with paragraph (a) or (b) below.

(a) *Coupon Amounts calculated by reference to Fixed Rate and Floating Rate Provisions*

- (i) If the Fixed Rate Provisions and/or the Floating Rate Provisions in General Note Condition 4 (in the case of Notes) or General Certificate Condition 4 (in the case of Certificates) are specified to be applicable in the relevant Final Terms, the Securities shall be "Yield Securities", "Trigger Yield Securities", "Callable Yield Securities" or "Callable Trigger Yield Securities", as specified in the relevant Final Terms, and shall entitle Securityholders to payment of a Coupon Amount per Security on a Coupon Payment Date which is either calculated by reference to the Rate of Interest (either in accordance with the Fixed Rate Provisions or the Floating Rate Provisions, as specified in the relevant Final Terms) or equal to the Interest Amount per Security (calculated in accordance with the Fixed Rate Provisions), as specified in the relevant Final Terms and subject to the provisions of Product Condition 3 below.
- (ii) For the purposes of this Product Condition 2(a), a Coupon Payment Date shall be deemed to be an Interest Payment Date, as defined under General Note Condition 4(h) (in the case of Notes) or General Certificate Condition 4(h) (in the case of Certificates) and as specified in the relevant Final Terms.

(b) *Other Coupon Provisions*

- (i) If "Other Coupon Provisions" is specified to be applicable in the relevant Final Terms, the Securities shall be "Return Securities", "Trigger Return Securities", "Callable Return Securities" or "Callable Trigger Return Securities", as specified in the relevant Final Terms, and shall entitle Securityholders to payment of a Coupon Amount per Security on a Coupon Payment Date, subject to the provisions of Product Condition 3 below. If "Knock-in Coupon Cut-Off" is specified to be applicable in the relevant Final Terms and a Knock-in Event occurs, no further Coupon Amounts will be payable.
- (ii) The Coupon Amount per Security payable on a Coupon Payment Date, which shall be rounded down to the nearest transferable unit of the Settlement Currency, and subject to the Coupon Floor and/or Coupon Cap if specified as applicable in the relevant Final Terms, shall be determined in accordance with paragraphs (A) to (F) below:
  - (A) if "Coupon Payment Event" is specified to be applicable in the relevant Final Terms and:
    - (I) if a Coupon Payment Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be one of the following as specified in the relevant Final Terms:
      - (aa) if "Fixed" is specified to be applicable in the relevant Final Terms, an amount per Specified Denomination or Security (as the case may be) or a percentage of the Nominal Amount, as specified in the relevant Final Terms (or, if such amount or percentage is stated to be indicative, indicatively the amount or percentage so specified in the relevant Final Terms

or such other amount or percentage as the Issuer shall determine in its sole and absolute discretion on the Initial Setting Date by reference to prevailing market conditions, subject to a minimum amount or percentage, if any, specified in the relevant Final Terms);

- (bb) if "Coupon Call" is specified to be applicable in the relevant Final Terms, an amount determined in accordance with the following formula:

Nominal Amount x Coupon Call Performance x Participation;

- (cc) if "Coupon Put" is specified to be applicable in the relevant Final Terms, an amount determined in accordance with the following formula:

Nominal Amount x Coupon Put Performance x Participation; or

- (dd) if "Memory Coupon" is specified to be applicable in the relevant Final Terms, an amount determined in accordance with the following formula:

[Nominal Amount x (Coupon Rate x t)] - Sum of Previously Paid Coupons; or

- (II) if no Coupon Payment Event has occurred, the Coupon Amount (which may be zero) payable on the relevant Coupon Payment Date shall be an amount per Specified Denomination or Security (as the case may be) or a percentage of the Nominal Amount, as specified in the relevant Final Terms; or

- (B) if "Double No-Touch" is specified to be applicable in the relevant Final Terms and:

- (I) if a Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be one of the following as specified in the relevant Final Terms:

- (aa) if "Fixed" is specified to be applicable in the relevant Final Terms, an amount per Specified Denomination or Security (as the case may be) or a percentage of the Nominal Amount, as specified in the relevant Final Terms; or

- (bb) if "Floating Rate" is specified to be applicable in the relevant Final Terms, then the Floating Rate Provisions in General Note Condition 4 (in the case of Notes) or General Certificate Condition 4 (in the case of Certificates) shall be applicable, and the Coupon Amount shall be an amount calculated by reference to the Rate of Interest, as specified in the relevant Final Terms; or

- (II) if no Double No-Touch Event has occurred, the Coupon Amount shall be zero; or

Product Conditions

- (C) if "Double No-Touch Accrual" is specified to be applicable in the relevant Final Terms, the Coupon Amount (which may be zero) payable on the relevant Coupon Payment Date shall be an amount determined in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Coupon Rate} \times N$$

- (D) if "Double No-Touch Memory" is specified to be applicable in the relevant Final Terms and:

- (I) if a Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be an amount determined in accordance with the following formula:

$$[\text{Nominal Amount} \times (\text{Coupon Rate} \times t)] - \text{Sum of Previously Paid Coupons}; \text{ or}$$

- (II) if no Double No-Touch Event has occurred, the Coupon Amount payable on the relevant Coupon Payment Date shall be zero; or

- (E) if "Range Accrual" is specified to be applicable in the relevant Final Terms, the Coupon Amount payable on the relevant Coupon Payment Date shall be an amount determined in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Rate} \times \text{Accrual Fraction}; \text{ or}$$

- (F) if "Step-Up" is specified to be applicable in the relevant Final Terms, and:

- (I) if on the Coupon Observation Date corresponding to such Coupon Payment Date (and where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms), (aa) the Level of the Underlying Asset, or (bb) the Level of each Underlying Asset, or (cc) the Basket Performance, as specified in the relevant Final Terms, is at or above Coupon Threshold 1 but the Level of the Underlying Asset, the Level of any Underlying Asset or the Basket Performance, respectively, is below Coupon Threshold 2, the Coupon Amount shall be an amount determined in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Coupon Rate 1};$$

- (II) if on the Coupon Observation Date corresponding to such Coupon Payment Date (and where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms), (aa) the Level of the Underlying Asset, or (bb) the Level of each Underlying Asset, or (cc) the Basket Performance, as specified in the relevant Final Terms, is at or above Coupon Threshold 2, the Coupon Amount shall be an amount determined in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Coupon Rate 2}; \text{ or}$$

- (III) if on the Coupon Observation Date corresponding to such Coupon Payment Date (and where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms), (aa) the Level of the Underlying Asset, or (bb) the Level of any Underlying Asset, or (cc) the Basket Performance, as specified in the relevant Final Terms, is below Coupon Threshold 1, the Coupon Amount shall be zero.
- (c) The following terms and expressions shall have the following meanings:

**"Accrual Condition"** means (and the Accrual Condition will be satisfied if the Issuer determines that) on any Accrual Day:

- (i) (A) the Level of the Underlying Asset, (B) the Level of each Underlying Asset, or (C) the Level of the Worst Performing Underlying Asset, as specified in the relevant Final Terms (and where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) for such day,
- (ii) is (A) at or above the Coupon Threshold of such Underlying Asset, or (B) both (I) at or above its Lower Barrier, and (II) at or below its Upper Barrier, as specified in the relevant Final Terms.

**"Accrual Day"** means, in respect of each Coupon Payment Date and the Accrual Period corresponding to such Coupon Payment Date, each Scheduled Accrual Day in such Accrual Period, in each case subject to adjustment in accordance with the Asset Terms as if such day were a Valuation Date.

**"Accrual Fraction"** means, in respect of each Coupon Payment Date and the Accrual Period corresponding to such Coupon Payment Date, the *quotient* of (i) the number of Accrual Days during such Accrual Period on which the Accrual Condition is satisfied, *divided by* (ii) the total number of Scheduled Accrual Days in such Accrual Period.

**"Accrual Period"** means each period commencing on, but excluding, an Accrual Period Start Date and ending on, and including, the Accrual Period End Date scheduled to fall immediately following such Accrual Period Start Date.

**"Accrual Period End Date"** means each date so specified in the relevant Final Terms, in each case subject to adjustment in accordance with the Asset Terms as if such day were a Valuation Date.

**"Accrual Period Start Date"** means each date so specified in the relevant Final Terms, in each case subject to adjustment in accordance with the Asset Terms as if such day were a Valuation Date.

**"Basket Performance"** has the meaning given to it in Product Condition 3(a)(iii) below, provided that each reference therein to "Knock-in Fixing Price<sub>i</sub>" shall be deemed to be replaced with "Coupon Fixing Price<sub>i</sub>".

**"Coupon Call Performance"** means a percentage calculated in accordance with the following formula:

$$\sum_{i=1}^A \left[ \frac{\text{Coupon Fixing Price}_i - (\text{Coupon Strike} \times \text{Strike Price}_i)}{\text{Strike Price}_i} \times \text{Weighting}_i \right]$$

Where:

**"A"** means an amount equal to the number of Underlying Assets specified in the relevant Final Terms;

**"Coupon Fixing Price<sub>i</sub>"** means the Coupon Fixing Price in respect of the relevant Underlying Asset specified in the relevant Final Terms;

**"Coupon Strike"** means a percentage so specified in the relevant Final Terms;

**"i"** means a unique integer from one (1) to A, each representing an Underlying Asset;

**"Strike Price<sub>i</sub>"** means the Strike Price in respect of the relevant Underlying Asset specified in the relevant Final Terms; and

**"Weighting<sub>i</sub>"** means:

- (i) where there is only one Underlying Asset, one (1); or
- (ii) where there is more than one Underlying Asset, the weighting in respect of the relevant Underlying Asset specified in the relevant Final Terms (and which, for the avoidance of doubt, may be a negative value).

**"Coupon Cap"** means a percentage of the Nominal Amount as specified in the relevant Final Terms.

**"Coupon Fixing Price"** means, in respect of an Underlying Asset, one of the following as specified in the relevant Final Terms:

- (i) the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the relevant Coupon Observation Date; or
- (ii) the lowest, highest or average (as specified in the relevant Final Terms) of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on each of the Coupon Observation Averaging Dates,

provided that, where the Level is without regard to the Valuation Time, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time".

**"Coupon Floor"** means a percentage of the Nominal Amount as specified in the relevant Final Terms.

**"Coupon Observation Averaging Date"** means each date so specified in the relevant Final Terms, provided that the provisions of the applicable Asset Terms shall apply to each such date as if it were an Averaging Date.

**"Coupon Observation Date"** means one of the following as specified in the relevant Final Terms:

- (i) each date so specified in the relevant Final Terms, provided that if "Coupon Observation Date subject to Valuation Date adjustment" is

specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date; or

- (ii) each Scheduled Trading Day in the relevant Coupon Observation Period, provided that if "Coupon Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date; or
- (iii) each Scheduled Trading Day which is not a Disrupted Day in the relevant Coupon Observation Period; or
- (iv) each day falling in the relevant Coupon Observation Period on which the Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset; or
- (v) each day falling in the relevant Coupon Observation Period on which one or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset.

**"Coupon Observation Period"** means each period, if any, so specified in the relevant Final Terms.

**"Coupon Payment Date"** means one of the following as specified in the relevant Final Terms:

- (i) each date so specified in the relevant Final Terms; or
- (ii) the number of Currency Business Days following the relevant Coupon Observation Date, the last Coupon Observation Averaging Date or the last day of the relevant Coupon Observation Period, as specified in the relevant Final Terms.

**"Coupon Payment Event"** means (and a Coupon Payment Event shall be deemed to have occurred if), subject to the applicable Asset Terms, one of the following, as specified in the relevant Final Terms:

- (i) if:
  - (A) on (I) the relevant Coupon Observation Date or (II) each Coupon Observation Date during the relevant Coupon Observation Period, as specified in the relevant Final Terms,
  - (B) (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) (I) the Level of the Underlying Asset or (II) the Level of any Underlying Asset or (III) the Level of each Underlying Asset, as specified in the relevant Final Terms, is,
  - (C) (I) below, (II) above, (III) at or below, or (IV) at or above, as specified in the relevant Final Terms, the Coupon Threshold of such Underlying Asset corresponding to such Coupon Observation Date,

provided that, where the Coupon Payment Event is without regard to the Valuation Time, for the purposes of the definition of Level used herein, the reference to "as at the Valuation Time" in the definition of Share

Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time"; or

- (ii) if, in respect of (A) the Underlying Asset or (B) any Underlying Asset or (C) each Underlying Asset, as specified in the relevant Final Terms, the average of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, with regard to the Valuation Time) of such Underlying Asset on each of the Coupon Observation Dates corresponding to the relevant Coupon Payment Date is (I) below, (II) above, (III) at or below, or (IV) at or above, as specified in the relevant Final Terms, the Coupon Threshold corresponding to such Coupon Observation Dates; or
- (iii) if, on (A) the relevant Coupon Observation Date or (B) each Coupon Observation Date during the relevant Coupon Observation Period, as specified in the relevant Final Terms, the Basket Performance is (I) below, (II) above, (III) at or below, or (IV) at or above, as specified in the relevant Final Terms, the Coupon Threshold corresponding to such Coupon Observation Date.

**"Coupon Put Performance"** means a percentage calculated in accordance with the following formula:

$$\sum_{i=1}^A \left[ \frac{(\text{Coupon Strike} \times \text{Strike Price}_i) - \text{Coupon Fixing Price}_i}{\text{Strike Price}_i} \times \text{Weighting}_i \right]$$

Where:

**"A"** means an amount equal to the number of Underlying Assets specified in the relevant Final Terms;

**"Coupon Fixing Price<sub>i</sub>"** means the Coupon Fixing Price in respect of the relevant Underlying Asset specified in the relevant Final Terms;

**"Coupon Strike"** means a percentage so specified in the relevant Final Terms;

**"i"** means a unique integer from one (1) to A, each representing an Underlying Asset;

**"Strike Price<sub>i</sub>"** means the Strike Price in respect of the relevant Underlying Asset specified in the relevant Final Terms; and

**"Weighting<sub>i</sub>"** means:

- (i) where there is only one Underlying Asset, one (1); or
- (ii) where there is more than one Underlying Asset, the weighting in respect of the relevant Underlying Asset specified in the relevant Final Terms (and which, for the avoidance of doubt, may be a negative value).

**"Coupon Rate"** means a percentage so specified in the relevant Final Terms, or if such percentage is stated to be indicative, indicatively the percentage so specified in the relevant Final Terms or such other percentage as the Issuer shall determine in its sole and absolute discretion on the Initial Setting Date by reference to the then prevailing market conditions, subject to a minimum percentage, if any, specified in the relevant Final Terms.

**"Coupon Rate 1"** means a percentage so specified in the relevant Final Terms, or, if such percentage is stated to be indicative, indicatively the percentage so specified in the relevant Final Terms or such other percentage as the Issuer shall determine in its sole and absolute discretion on the Initial Setting Date by reference to the then prevailing market conditions, subject to a minimum percentage, if any, specified in the relevant Final Terms.

**"Coupon Rate 2"** means a percentage so specified in the relevant Final Terms, or, if such percentage is stated to be indicative, indicatively the percentage so specified in the relevant Final Terms or such other percentage as the Issuer shall determine in its sole and absolute discretion on the Initial Setting Date by reference to the then prevailing market conditions, subject to a minimum percentage, if any, specified in the relevant Final Terms.

**"Coupon Threshold"** means, in respect of a Coupon Observation Date or an Accrual Day, (i) and an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (ii) a percentage, as specified in the relevant Final Terms.

**"Coupon Threshold 1"** means, in respect of a Coupon Observation Date (i) and an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (ii) a percentage, as specified in the relevant Final Terms.

**"Coupon Threshold 2"** means, in respect of a Coupon Observation Date (i) and an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (ii) a percentage, as specified in the relevant Final Terms.

**"Double No-Touch Event"** means (and a Double No-Touch Event shall be deemed to have occurred if), subject to the applicable Asset Terms, one of the following, as specified in the relevant Final Terms:

- (i) if:
  - (A) on each Coupon Observation Date during the relevant Coupon Observation Period,
  - (B) (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms), (I) the Level of the Underlying Asset, or (II) the Level of each Underlying Asset, as specified in the relevant Final Terms,
  - (C) is both (I) (aa) above, or (bb) at or above, as specified in the relevant Final Terms, the Lower Barrier of such Underlying Asset, and (II) (aa) below, or (bb) at or below, as specified in the relevant Final Terms, the Upper Barrier of such Underlying Asset,

provided that, where the Double No-Touch Event is without regard to the Valuation Time, for the purposes of the definition of Level used herein, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time"; or

- (ii) if on each Coupon Observation Date during the relevant Coupon Observation Period, the Basket Performance is both (A) (I) above, or (II) at or above, as specified in the relevant Final Terms, the Lower Barrier, and (B) (I) below, or (II) at or below, as specified in the relevant Final Terms, the Upper Barrier.

**"Lower Barrier"** means one of the following as specified in the relevant Final Terms: (i) in respect of an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (ii) in respect of an Underlying Asset, the amount so specified in the relevant Final Terms, or (iii) the percentage so specified in the relevant Final Terms.

**"Minimum Participation"** means the percentage so specified in the relevant Final Terms.

**"N"** means the number of Coupon Observation Periods in respect of which a Double No-Touch Event has occurred.

**"Participation"** means the percentage so specified in the relevant Final Terms (which may be positive or negative) or, if such percentage is stated to be indicative, indicatively the percentage so specified in the relevant Final Terms or such other percentage as the Issuer shall determine in its sole and absolute discretion on the Initial Setting Date by reference to the then prevailing market conditions, subject to a minimum percentage equal to the Minimum Participation, if any, specified in the relevant Final Terms.

**"Rate"** means the percentage so specified in the relevant Final Terms.

**"Scheduled Accrual Day"** means a day which is a Scheduled Trading Day for the Underlying Asset or each Underlying Asset, as specified in the relevant Final Terms.

**"Sum of Previously Paid Coupons"** means, in respect of each Security and a Coupon Payment Date on which a Coupon Amount is payable, the sum of the Coupon Amounts (if any) paid in respect of such Security on each Coupon Payment Date preceding such Coupon Payment Date.

**"t"** means, in respect of the Coupon Payment Date on which such Coupon Amount is payable, one of the following as specified in the relevant Final Terms:

- (i) the number of Coupon Observation Dates falling in the period commencing on, but excluding, the Issue Date and ending on, and including, such Coupon Payment Date; or
- (ii) the number of Coupon Observation Periods falling in the period commencing on, but excluding, the Issue Date and ending on, and including, such Coupon Payment Date.

**"Upper Barrier"** means one of the following as specified in the relevant Final Terms: (i) in respect of an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (ii) in respect of an Underlying Asset, the amount so specified in the relevant Final Terms, or (iii) the percentage so specified in the relevant Final Terms.

- (d) *Other Securities*

If the Securities are specified to be "Trigger Securities" or "Callable Securities", then no payments of Coupon Amounts will be made.

### 3. **Redemption**

- (a) *All Types of Securities*

- (i) Unless they have previously been redeemed or purchased and cancelled, and subject to paragraphs (b) and/or (c) below, the Issuer shall redeem the Securities on the Maturity Date at their Redemption

Amount or, in the case of Warrants, on the Settlement Date at their Settlement Amount.

- (ii) The Redemption Amount (in the case of Notes or Certificates) or Settlement Amount (in the case of Warrants) in respect of each Security, which shall be rounded down to the nearest transferable unit of the Settlement Currency, shall be an amount determined by the Issuer in accordance with paragraphs (A), (B), (C) or (D) below (subject to, where the Underlying Asset(s) is/are Shares and Physical Settlement is specified as applicable in the relevant Final Terms, as provided in Product Condition 4 below):

- (A) if "Single Factor Trigger Redeemable" or "Single Factor Phoenix" is specified as applicable in the relevant Final Terms, and:

- (I) if a Knock-in Event has occurred, an amount calculated by the Issuer in accordance with the following formula:

$$\text{Nominal Amount} \times \frac{\text{Final Price}}{\text{Strike Price}}$$

subject to the Redemption Amount Cap and/or the Redemption Amount Floor, if applicable; or

- (II) if no Knock-in Event has occurred, an amount calculated by the Issuer in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Redemption Option Percentage}; \text{ or}$$

- (B) if "Worst of Trigger Redeemable", "Worst of Phoenix", "Basket Trigger Redeemable" or "Basket Phoenix" is specified as applicable in the relevant Final Terms, and:

- (I) if a Knock-in Event has occurred, an amount calculated by the Issuer in accordance with paragraph (aa) or (bb) below:

- (aa) if "Worst of Trigger Redeemable" or "Worst of Phoenix" is specified to be applicable in the relevant Final Terms:

$$\text{Nominal Amount} \times \frac{\text{Worst Final Price}}{\text{Worst Strike Price}} ; \text{ or}$$

- (bb) if "Basket Trigger Redeemable" or "Basket Phoenix" is specified to be applicable in the relevant Final Terms:

$$\text{Nominal Amount} \times \text{Final Basket Performance}$$

in each case, subject to the Redemption Amount Cap and/or the Redemption Amount Floor, if applicable; or

- (II) if no Knock-in Event has occurred, an amount calculated by the Issuer in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Redemption Option Percentage}; \text{ or}$$

- (C) if "Fixed Redemption" is specified as applicable in the relevant Final Terms, an amount calculated by the Issuer in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Redemption Option Percentage}; \text{ or}$$

- (D) if "Redemption Call" or "Redemption Put" is specified to be applicable in the relevant Final Terms, and:
- (I) if a Knock-in Event has occurred, an amount calculated in accordance with the following formula:
- Nominal Amount x [1 + (RP x Redemption Return)]; or
- (II) if no Knock-in Event has occurred, an amount calculated in accordance with the following formula:
- Nominal Amount x [1 + Max(Floor; RP x Redemption Return)].
- (iii) The following terms and expressions shall have the following meanings:

**"Basket Performance"** means a percentage calculated in accordance with the following formula:

$$\sum_{i=1}^A \left( \frac{\text{Knock-in Fixing Price}_i}{\text{Strike Price}_i} \times \text{Weighting}_i \right)$$

Where:

**"A"** means an amount equal to the number of Underlying Assets specified in the relevant Final Terms;

**"i"** means a unique integer from one (1) to A, each representing an Underlying Asset;

**"Knock-in Fixing Price<sub>i</sub>"** means the Knock-in Fixing Price in respect of the relevant Underlying Asset specified in the relevant Final Terms,

**"Strike Price<sub>i</sub>"** means the Strike Price of the relevant Underlying Asset; and

**"Weighting<sub>i</sub>"** means the weighting in respect of the relevant Underlying Asset specified in the relevant Final Terms (and which, for the avoidance of doubt, may be a negative value).

**"Final Basket Performance"** means the Basket Performance on the Final Fixing Date or in respect of the Averaging Dates, as the case may be, provided that each reference in the definition of "Basket Performance" to "Knock-in Fixing Price<sub>i</sub>" shall be deemed to be replaced with "Final Price<sub>i</sub>".

**"Final Price<sub>i</sub>"** means the Final Price of the relevant Underlying Asset.

**"Floor"** means the percentage so specified in the relevant Final Terms (which may be negative).

**"Knock-in Barrier"** means, in respect of a Knock-in Observation Date, (A) and an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (B) a percentage, as specified in the relevant Final Terms.

**"Knock-in Event"** means (and a Knock-in Event shall be deemed to have occurred if), subject to the applicable Asset Terms, one of the following, as specified in the relevant Final Terms:

- (A) if:

- (I) on any Knock-in Observation Date,
- (II) (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) (aa) the Level of the Underlying Asset or (bb) the Level of any Underlying Asset, as specified in the relevant Final Terms, is,
- (III) (aa) below, (bb) above, (cc) at or below, or (dd) at or above, as specified in the relevant Final Terms, the Knock-in Barrier of such Underlying Asset,

provided that, where the Knock-in Event is without regard to the Valuation Time, for the purposes of the definition of Level used herein, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time"; or

- (B) if, in respect of (I) the Underlying Asset or (II) any Underlying Asset, as specified in the relevant Final Terms, the average of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on each of the Knock-in Observation Dates is (aa) below, (bb) above, (cc) at or below, or (dd) at or above, as specified in the relevant Final Terms, the Knock-in Barrier of such Underlying Asset; or
- (C) if on any Knock-in Observation Date, the Basket Performance is (I) below, (II) above, (III) at or below, or (IV) at or above, as specified in the relevant Final Terms, the Knock-in Barrier.

**"Knock-in Fixing Price"** means, in respect of an Underlying Asset, the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the relevant Knock-in Observation Date, provided that, where the Level is without regard to the Valuation Time, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time".

**"Knock-in Observation Date"** means one of the following as specified in the relevant Final Terms:

- (A) each date so specified in the relevant Final Terms, provided that if "Knock-in Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date; or
- (B) each Scheduled Trading Day in the relevant Knock-in Observation Period, provided that if "Knock-in Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the

applicable Asset Terms shall apply to such date as if it were a Valuation Date; or

- (C) each Scheduled Trading Day which is not a Disrupted Day in the relevant Knock-in Observation Period; or
- (D) each day falling in the relevant Knock-in Observation Period on which the Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset; or
- (E) each day falling in the relevant Knock-in Observation Period on which one or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset.

**"Knock-in Observation Period"** means the period, if any, so specified in the relevant Final Terms.

**"Max"** followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

**"Redemption Amount"** means, in respect of each Security, the amount determined in accordance with Product Condition 3(a)(ii).

**"Redemption Amount Cap"** means a percentage of the Nominal Amount as specified in the relevant Final Terms.

**"Redemption Amount Floor"** means a percentage of the Nominal Amount as specified in the relevant Final Terms.

**"Redemption Option Percentage"** means a percentage so specified in the relevant Final Terms.

**"Redemption Participation"** or **"RP"** means:

- (A) if a Knock-in Event has occurred, the percentage so specified in the relevant Final Terms (which may be positive or negative); or
- (B) if no Knock-in Event has occurred, the percentage so specified in the relevant Final Terms (which may be positive or negative).

**"Redemption Return"** means one of the following as specified in the relevant Final Terms:

- (A) if "Redemption Call" is specified to be applicable in the relevant Final Terms:

$$\sum_{i=1}^A \left( \frac{\text{Final Price}_i - \text{Strike Price}_i}{\text{Strike Price}_i} \times \text{Weighting}_i \right)$$

Where:

**"A"** means an amount equal to the number of Underlying Assets specified in the relevant Final Terms;

**"Final Price,"** means the Final Price in respect of the relevant Underlying Asset specified in the relevant Final Terms;

"i" means a unique integer from one (1) to A, each representing an Underlying Asset;

"**Strike Price<sub>i</sub>**" means the Strike Price in respect of the relevant Underlying Asset specified in the relevant Final Terms; and

"**Weighting<sub>i</sub>**" means:

- (I) where there is only one Underlying Asset, one (1); or
- (II) where there is more than one Underlying Asset, the weighting in respect of the relevant Underlying Asset specified in the relevant Final Terms (and which, for the avoidance of doubt, may be a negative value).

(B) if "Redemption Put" is specified to be applicable in the relevant Final Terms:

$$\sum_{i=1}^A \left( \frac{\text{Strike Price}_i - \text{Final Price}_i}{\text{Strike Price}_i} \times \text{Weighting}_i \right)$$

Where:

"**A**" means an amount equal to the number of Underlying Assets specified in the relevant Final Terms;

"i" means a unique integer from one (1) to A, each representing an Underlying Asset;

"**Final Price<sub>i</sub>**" means the Final Price in respect of the relevant Underlying Asset specified in the relevant Final Terms;

"**Strike Price<sub>i</sub>**" means the Strike Price in respect of the relevant Underlying Asset specified in the relevant Final Terms; and

"**Weighting<sub>i</sub>**" means:

- (I) where there is only one Underlying Asset, one (1); or
- (II) where there is more than one Underlying Asset, the weighting in respect of the relevant Underlying Asset specified in the relevant Final Terms (and which, for the avoidance of doubt, may be a negative value).

"**Settlement Amount**" means, in respect of each Security, the amount determined in accordance with Product Condition 3(a)(ii).

"**Worst Final Price**" means the Final Price of the Worst Performing Underlying Asset.

"**Worst Strike Price**" means the Strike Price of the Worst Performing Underlying Asset.

(b) *Callable Securities*

- (i) If "**Call Option**" is specified to be applicable in the relevant Final Terms, the Securities shall be "Callable Securities", "Callable Yield Securities", "Callable Return Securities", "Callable Trigger Yield Securities" or "Callable Trigger Return Securities", as specified in the relevant Final

Terms. If the Issuer exercises its Call Option, the Issuer shall redeem the Securities (unless previously redeemed or purchased and cancelled) on the Optional Redemption Date at the Optional Redemption Amount (regardless of whether a Knock-in Event (if applicable) has occurred on any Knock-in Observation Date falling on or prior to the exercise date of such Call Option) together with, in the case of Callable Yield Securities, Callable Trigger Yield Securities, Callable Return Securities or Callable Trigger Return Securities, the Coupon Amount payable, if any, on such Optional Redemption Date. Thereafter no further payments of Coupon Amounts will be made.

- (ii) The following terms and expressions shall have the following meanings:

**"Optional Redemption Amount"** means in respect of each Security in respect of which the Call Option has been exercised, an amount equal to a percentage of the Nominal Amount as specified in the relevant Final Terms.

**"Optional Redemption Date"** means the date so specified in the relevant Final Terms.

(c) *Trigger Securities*

- (i) If **"Trigger Redemption"** is specified to be applicable in the relevant Final Terms, the Securities will be "Trigger Securities", "Trigger Yield Securities", "Trigger Return Securities", "Callable Trigger Yield Securities" or "Callable Trigger Return Securities", as specified in the relevant Final Terms. If a Trigger Event has occurred, the Issuer shall redeem the Securities (unless previously redeemed or purchased and cancelled) on the relevant Trigger Barrier Redemption Date at the Trigger Barrier Redemption Amount (regardless of whether a Knock-in Event (if applicable) has occurred on any Knock-in Observation Date falling on or prior to such Trigger Barrier Redemption Date) together with, in the case of Trigger Yield Securities, Callable Trigger Yield Securities, Trigger Return Securities or Callable Trigger Return Securities, the Coupon Amount payable, if any, on such Trigger Barrier Redemption Date, subject to the "Knock-in Event Override Condition" below. Thereafter no further payments of Coupon Amounts will be made.

- (ii) If **"Knock-in Event Override Condition"** is specified to be applicable in the relevant Final Terms, then unless the Securities have previously been redeemed or purchased and cancelled, if a Knock-in Event occurs on any Knock-in Observation Date, then no Trigger Event shall be deemed to have occurred. For the avoidance of doubt, the Securities shall not be redeemed on any Trigger Barrier Redemption Date and no Trigger Barrier Redemption Amount shall be payable.

- (iii) The **"Trigger Barrier Redemption Amount"** in respect of each Security shall be an amount equal to a percentage of the Nominal Amount as specified in the relevant Final Terms.

- (iv) The following terms and expressions shall have the following meanings:

**"Basket Performance"** has the meaning given to it in Product Condition 3(a)(iii) above, provided that each reference therein to "Knock-in Fixing Price<sub>i</sub>" shall be deemed to be replaced with "Trigger Barrier Fixing Price<sub>i</sub>".

**"Trigger Barrier"** means, in respect of a Trigger Barrier Observation Date, (A) and an Underlying Asset, a percentage of the Strike Price of such Underlying Asset, or (B) a percentage, as specified in the relevant Final Terms.

**"Trigger Barrier Fixing Price"** means, in respect of an Underlying Asset, the Level (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the relevant Trigger Barrier Observation Date, provided that, where the Level is without regard to the Valuation Time, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time".

**"Trigger Barrier Observation Date"** means one of the following as specified in the relevant Final Terms:

- (A) each date so specified in the relevant Final Terms, provided that if "Trigger Barrier Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date;
- (B) each Scheduled Trading Day in the relevant Trigger Barrier Observation Period, provided that if "Trigger Barrier Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date; or
- (C) each Scheduled Trading Day which is not a Disrupted Day in the relevant Trigger Barrier Observation Period; or
- (D) each day falling in the relevant Trigger Barrier Observation Period on which the Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset; or
- (E) each day falling in the relevant Trigger Barrier Observation Period on which one or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset.

**"Trigger Barrier Observation Period"** means the period, if any, so specified in the relevant Final Terms.

**"Trigger Barrier Redemption Date"** means, either (A) any of the dates so specified in the relevant Final Terms following the occurrence of a Trigger Event, or (B) if specified in the relevant Final Terms, a day selected by the Issuer falling not later than 10 Currency Business Days immediately following the occurrence of such Trigger Event.

**"Trigger Event"** means (and a Trigger Event shall be deemed to have occurred if), subject to the applicable Asset Terms, one of the following, as specified in the relevant Final Terms:

- (A) if on any Trigger Barrier Observation Date (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) (I) the Level of the Underlying Asset or (II) the Level of each Underlying Asset, as

specified in the relevant Final Terms, is at or above the Trigger Barrier of such Underlying Asset, provided that, where the Trigger Event is without regard to the Valuation Time, for the purposes of the definition of Level used herein, the reference to "as at the Valuation Time" in the definition of Share Price, Index Level, FX Index Level, Interest Rate Index Level and Cash Index Level (as applicable) shall be deemed to be replaced with "at any time"; or

- (B) if, in respect of (I) the Underlying Asset or (II) each Underlying Asset, as specified in the relevant Final Terms, the average of the Levels (and, where such Underlying Asset is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, with regard to the Valuation Time) of such Underlying Asset on each of the Trigger Barrier Observation Dates corresponding to the relevant Trigger Barrier Redemption Date is at or above the Trigger Barrier of such Underlying Asset; or
  - (C) if on any Trigger Barrier Observation Date, the Basket Performance is at or above the Trigger Barrier.
- (d) *Italian Securities*

If the relevant Final Terms specify that the Additional Provisions for Notes listed on Borsa Italiana S.p.A. (in the case of Notes) or the Additional Provisions for Certificates listed on Borsa Italiana S.p.A. (in the case of Certificates) shall apply then Product Conditions 3(b)(i) and (c)(i) above shall be amended by replacing "the Issuer shall redeem the Securities" (in both paragraphs) with "the Securities will be automatically exercised according to Product Condition 3(a)(i)".

For the avoidance of doubt, (i) if the Trigger Redemption provisions and/or the Issuer's Call Option are applicable and a Trigger Event occurs or the Issuer exercises its Call Option (as applicable), the Securities will be automatically exercised in accordance with Product Conditions 3(b)(i) and (c)(i) above (as amended by this Product Condition 3(d)), or (ii) if a Trigger Event does not occur or the Issuer does not exercise its Call Option (as applicable), the Securities will be automatically exercised on the Maturity Date at an amount per Security equal to the Redemption Amount.

#### 4. **Delivery of Shares (Physical Settlement)**

(a) *Redemption by delivery of Shares*

This option is only possible where the relevant Shares are issued by a third party issuer and admitted to trading on an EU regulated market.

(i) **Physical Settlement Trigger**

Where the Underlying Asset is a Share and the relevant Final Terms specify that the Physical Settlement Trigger is applicable and if the Physical Settlement Trigger Event occurs, in lieu of paying the Redemption Amount, the Issuer shall discharge its payment obligation by (A) delivery of the Share Amount (or if there is more than one Underlying Asset, the Share Amount of the Worst Performing Underlying Asset) on the Share Delivery Date, and (B) payment on the Maturity Date of any Fractional Cash Amount.

If the Physical Settlement Trigger Event occurs and the Physical Settlement Trigger is specified as applicable in the relevant Final Terms, the Issuer shall, as soon as practicable, and on or prior to the Banking Day that is at least a number of Banking Days prior to the Presentation Date equal to the Presentation Date Notice Period, give notice to the

Securityholders in accordance with the General Conditions that the Physical Settlement Trigger Event has occurred and provide details of the Presentation Date.

(ii) Physical Settlement Option

Where the Underlying Asset is a Share and the relevant Final Terms specify that the Physical Settlement Option is applicable and if a valid Physical Settlement Option Notice has been delivered, in lieu of paying the Redemption Amount, the Issuer shall discharge its payment obligation by (A) delivery of the Share Amount (or if there is more than one Underlying Asset, the Share Amount of the Worst Performing Underlying Asset) on the Share Delivery Date, and (B) payment on the Maturity Date of any Fractional Cash Amount.

Where "**Physical Settlement Option Notice**" means a notice from the relevant Securityholder to the Issuer and the Paying Agent confirming that the Physical Settlement Option is exercised. Such notice must be delivered to the Issuer and the Paying Agent on or prior to the Banking Day that is at least a number of Banking Days prior to the Maturity Date equal to the Physical Settlement Option Notice Period set out in the relevant Final Terms. Any Physical Settlement Option Notice delivered after such date will not be valid.

If the Physical Settlement Option is specified as applicable in the relevant Final Terms and a valid Physical Settlement Option Notice has been delivered, the Issuer shall, as soon as practicable, and on or prior to the Banking Day that is at least a number of Banking Days prior to the Presentation Date equal to the Presentation Date Notice Period, provide details of the Presentation Date.

For both (i) and (ii) above, if the Securities are to be redeemed by Physical Settlement, the Share Amounts in respect of the Securities shall be delivered subject to and in accordance with the following provisions and, where applicable, the rules and operating procedures of the relevant Clearing System.

(iii) Delivery Notices

In order to obtain delivery of the Share Amount(s), the relevant Securityholder must deliver to any Paying Agent, on or before the Presentation Date, the relevant Security(ies) (if individually certificated) and a duly completed "**Delivery Notice**".

The Delivery Notice shall be substantially in such form as the Issuer may determine and copies may be obtained from any Paying Agent.

The Delivery Notice must:

- (A) specify the name and address of the relevant Securityholder, the securities account in the Clearing System where the relevant Securities are to be debited and the securities account in the Clearing System to be credited with the relevant Share Amount(s);
- (B) certify that the beneficial owner of the relevant Securities is not a U.S. person; and
- (C) authorise the production of such notice in any applicable administrative or legal proceedings.

No Delivery Notice may be withdrawn after receipt thereof by a Paying Agent. Upon the delivery of the Delivery Notice, the Securityholder may not transfer the Securities which are the subject of such Delivery Notice.

Failure properly to complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the relevant Paying Agent, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder.

If the relevant Security and the related Delivery Notice are delivered to any Paying Agent on a day that is not a Banking Day in the city of the relevant Paying Agent, such Security and Delivery Notice shall be deemed to be delivered on the next following such Banking Day.

The Issuer shall have no obligation to make delivery of the Share Amount in respect of such Security unless and until a duly completed Delivery Notice (together with the relevant Security if individually certificated) are each delivered as provided above. If the duly completed Delivery Notice (together with the relevant Security if individually certificated) are each delivered after the Presentation Date, delivery of such Share Amount shall be made as soon as possible thereafter but not earlier than the Share Delivery Date.

For the avoidance of doubt, the relevant holder of a Security shall not be entitled to any additional or further payment by reason of the delivery of the Share Amount in respect of such Security occurring after the Share Delivery Date as a result of such Delivery Notice or Security being delivered after the Presentation Date.

Securityholders should note that, since the Presentation Date may fall before the date on which the Issuer notifies them of the method of redemption, they may not know by then whether the Securities will be redeemed by payment or by delivery of the Share Amount. However, if the Delivery Notice and the relevant Securities are not delivered by the Presentation Date in accordance with this paragraph and the Securities are to be redeemed by delivery of the Share Amount, the Securityholder will receive the Share Amount later than if the Delivery Notice and the relevant Securities had been so delivered by the Presentation Date.

(b) *Share Amounts*

(i) *Delivery of Share Amounts*

Without prejudice to Product Condition 4(b)(ii) below, the Issuer shall on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Security to the relevant Clearing System (or, in the case of any Share Amount which is not eligible for delivery within the relevant Clearing System, using such other commercially reasonable manner as the Issuer may select) at the risk and expense of the relevant Securityholder. The Securityholder is required to pay all taxes and fees in connection with the delivery of the Share Amount, if any and no delivery shall take place until all such taxes and fees have been paid by the Securityholder to the absolute satisfaction of the Issuer. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting

from settlement periods of clearing systems, acts or omissions of registrars, incompatible or incorrect information being contained in any Delivery Notice or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Securityholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Securityholder or any other person as the registered shareholder in the register of members of the Share Issuer.

Securityholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Securityholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to the applicable Asset Terms.

Neither the Issuer (nor any other person) shall (A) be under any obligation to deliver (or procure delivery) to such Securityholder (or any other person), any letter, certificate, notice, circular or any other document received by the Issuer (or that person) in its capacity as the holder of such Shares, (B) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares, or (C) be under any liability to such Securityholder or any subsequent beneficial owner of such Shares in respect of any loss or damage which such Securityholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of such Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount in respect of any Security by the Issuer in accordance with this Product Condition 4 is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Security shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Securityholder by mail addressed to it at the address specified in the relevant Delivery Notice or in accordance with the General Conditions provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable and lawful manner. No Securityholder shall be entitled to any payment whether of interest or otherwise on such Security in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount but not affected by the

Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Security is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each relevant Security by payment to the relevant Securityholder of the Disruption Cash Settlement Price on the third Currency Business Day following the date that notice of such election is given to the Securityholders in accordance with the General Conditions. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with the General Conditions.

The Issuer shall give notice as soon as practicable to the Securityholders in accordance with the General Conditions that a Settlement Disruption Event has occurred.

(c) *Definitions*

The following terms and expressions shall have the following meanings:

**"Delivery Day"** means a day on which Shares comprised in the Share Amount(s) may be delivered to Securityholders in the manner which the Issuer has determined to be appropriate.

**"Delivery Notice"** means a notice as referred to in Product Condition 4(a)(iii).

**"Disruption Cash Settlement Price"** means in respect of each Security, an amount in the Settlement Currency equal to the fair market value of the Share Amount (taking into account, where the Settlement Disruption Event affected some but not all of the Shares comprising the Share Amount and such non-affected Shares have been duly delivered, the value of such Shares), less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer.

**"Fractional Amount"** means any fractional interest in one Share forming part of the Ratio.

**"Fractional Cash Amount"** means, in respect of each Security and in respect of Shares of a Share Issuer, the amount in the Settlement Currency (rounded to the nearest smallest transferable unit of such currency, half such a unit being rounded upwards) calculated by the Issuer in accordance with the following formula:

$$\text{Final Price} \times \text{Fractional Amount} \times \text{Spot Rate}$$

**"Physical Settlement"** means, if so specified in the relevant Final Terms, the delivery of the relevant Underlying Asset pursuant to the Physical Settlement Trigger or Physical Settlement Option, as applicable.

**"Physical Settlement Option Notice Period"** means the period so specified in the relevant Final Terms.

**"Physical Settlement Trigger Event"** means, on the Physical Settlement Trigger Observation Date (and either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms), the Share Price of the Underlying Asset or the Share Price of any Underlying Asset or the Share Price of each Underlying Asset (as specified in the relevant Final Terms) is below or at or below the Physical Settlement Trigger Event Barrier, as specified in the relevant Final Terms, provided that, where the

Physical Settlement Trigger Event is without regard to the Valuation Time, for the purposes of the definition of Share Price used herein, the reference to "as at the Valuation Time" in the definition of Share Price shall be deemed to be replaced with "at any time".

**"Physical Settlement Trigger Event Barrier"** means, in respect of an Underlying Asset and the Physical Settlement Trigger Observation Date, an amount equal to a percentage of the Strike Price of such Underlying Asset, as specified in the relevant Final Terms.

**"Physical Settlement Trigger Observation Date"** means the date so specified in the relevant Final Terms, provided that if "Physical Settlement Trigger Observation Date subject to Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of the applicable Asset Terms shall apply to such date as if it were a Valuation Date.

**"Presentation Date"** means the latest date prior to the Maturity Date by which the Issuer determines that a Delivery Notice must have been delivered by the Securityholder in order for the Issuer, in accordance with its administrative practices, to deliver the relevant Share Amounts on the Share Delivery Date.

**"Presentation Date Notice Period"** means the period so specified in the relevant Final Terms.

**"Ratio"** means, in respect of an Underlying Asset which is a Share, subject to the applicable Asset Terms, the number of Shares so specified in the relevant Final Terms, or if the number of Shares is not so specified, the number of Shares calculated by the Issuer in accordance with either of the following formulae, as specified in the relevant Final Terms:

Nominal Amount ÷ Spot Rate; or

Nominal Amount ÷ Strike Price

**"Settlement Disruption Event"** means an event determined by the Issuer to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws or regulations for the Issuer to transfer) Shares comprised in the Share Amount(s) in accordance with Product Condition 4(b)(ii).

**"Share Amount"** means, subject as provided in Product Condition 4(b), in respect of each Security, the number of Shares equal to the Ratio rounded down to the nearest integral number of Shares.

**"Share Delivery Date"** means, in respect of a Share, subject as provided in Product Condition 4(b)(ii), the Maturity Date or, if such day is not a Delivery Day, the first succeeding Delivery Day.

**"Spot Rate"** means, in respect of a Share, the prevailing spot rate determined by the Issuer, acting in good faith and in a commercially reasonable manner, on the Final Fixing Date or, at the discretion of the Issuer, acting in good faith and in a commercially reasonable manner, on the Banking Day in the city of the principal Paying Agent or Fiscal Agent following the Final Fixing Date expressed as the number of units of the Settlement Currency that could be bought with one unit of the currency in which the relevant Share is quoted on the relevant Exchange (or, if no direct exchange rates are published, the effective rate resulting from the application of rates into and out of one or more intermediate currencies).

**5. Calculations and Determinations**

Any calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. Each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

In respect of an Underlying Asset which is a Share, an ETF Share, an Index, an FX Index, an Interest Rate Index or a Cash Index, where a Level of such Underlying Asset is to be determined with regard to the Valuation Time, such Level shall be the Level as of the Valuation Time on the relevant day. Where a Level of such Underlying Asset is to be determined without regard to the Valuation Time, such Level shall be the Level at any time (and, if there is more than one Underlying Asset, not necessarily at the same time for each Underlying Asset) on the relevant day.

## ASSET TERMS

### EQUITY-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Equity-linked".

#### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Foreign Ownership Event, an FX Disruption, an Insolvency Filing, a Hedging Disruption, an Increased Cost of Hedging, a Loss of Stock Borrow and/or an Increased Cost of Stock Borrow, as specified to be applicable in the relevant Final Terms.

**"Announcement Date"** means, in respect of (a) a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (b) a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (c) a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (d) an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, and (e) a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the definition of Delisting. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

**"Averaging Date"** means:

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Averaging Reference Dates – Common/Individual" or "Share Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of a Share Basket where "Share Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

**"Averaging Reference Date"** means each Initial Averaging Date and Averaging Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities:

- (a) if "Change in Law Option 1" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (A) it has or will become illegal or contrary to any Applicable

Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities, or (B) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements;

- (b) if "Change in Law Option 2" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), (A) the Issuer determines in good faith that it has or it will, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any of its Hedge Positions relating to such Securities, or (B) the Issuer determines that either the adoption or change described in (i) above or the promulgation or change described in (ii) above has resulted or will result, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, in an increased amount of tax, duty, expense or fee (other than brokerage commissions) for the Issuer, any of its affiliates or any entities which are relevant to the Hedging Arrangements to (I) acquire, establish, re-establish, maintain, unwind or dispose of any of its Hedge Positions, or (II) realize, recover or remit the proceeds of such Hedge Positions, which the Issuer in good faith determines to be material (relative to the position on the Trade Date for the relevant Securities); or
- (c) if "Change in Law Option 3" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities.

**"Common Valid Date"** means, in respect of a Share Basket, a Scheduled Trading Day that is not a Disrupted Day for any Share in such Share Basket and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Delisting"** means, in respect of any Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**"Deposit Agreement"** means, in relation to Shares which are depositary receipts, the agreements or other instruments constituting such depositary receipts, as from time to time amended or supplemented in accordance with their terms.

**"Disrupted Day"** means, in respect of a Share, any Scheduled Trading Day on which (a) the Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.

**"Early Closure"** means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**"Exchange"** means, in respect of a Share, the exchange or quotation system so specified in the relevant Final Terms or such other exchange or quotation system on which such Share is, in the determination of the Issuer, traded or quoted as the Issuer may (acting in good faith and in a commercially reasonable manner) select and notify to Securityholders in accordance with the General Conditions or (in any such case) any transferee or successor exchange and shall, in the case of depositary receipts, where appropriate in the determination of the Issuer, include the primary exchange or quotation system on which the underlying shares are traded, as determined by the Issuer.

**"Exchange Business Day"** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (a) to effect transactions in, or obtain market values for, such Share on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to such Share on any relevant Related Exchange.

**"Extraordinary Dividend"** means, in respect of a Share, any dividend or portion thereof which is determined by the Issuer to be an Extraordinary Dividend.

**"Extraordinary Event"** means, in respect of a Share, a Merger Event, a Tender Offer, a Nationalisation, a Delisting or an Insolvency.

**"Final Share Price"** means, in respect of a Share, the price of such Share quoted on the relevant Exchange at the Valuation Time on the Valuation Date, as determined by the Issuer.

**"Foreign Ownership Event"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts to acquire, establish, re-establish, substitute or maintain any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities due to any restriction imposed by the Share Issuer, any court, tribunal or regulatory authority with competent jurisdiction on the ability of a person to acquire or own the relevant Shares, by virtue of being a foreign person. If both Change in Law and Foreign Ownership Event are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Foreign Ownership Event also constitutes a Change in Law, such event shall be deemed to be a Change in Law and shall not constitute a Foreign Ownership Event.

**"FX Disruption"** means the occurrence of any event after the Trade Date of the relevant Securities that makes the Issuer and/or its affiliates unable, after using commercially reasonable efforts, to:

- (a) transfer through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge from accounts (i) within the Local Jurisdiction to (A) accounts outside such Local Jurisdiction, (B) other accounts within such Local Jurisdiction, or (C) the accounts of a non-resident of such Local Jurisdiction, or (ii) outside the Local Jurisdiction to accounts within such Local Jurisdiction;
- (b) convert through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge into any other Relevant Currency, where such conversion is at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or
- (c) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge can be exchanged for any other Relevant Currency.

If both Hedging Disruption and FX Disruption are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Hedging Disruption also constitutes an FX Disruption, such event shall be deemed to be an FX Disruption and shall not constitute a Hedging Disruption.

**"FX Disruption Hedge"** means, in respect of the Issuer and/or its affiliates, any transaction(s) or asset(s) that the Issuer and/or its affiliates deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or its affiliates in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Hedging Shares"** means the number of Shares that the Issuer (and/or its affiliates) deems it necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities.

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Increased Cost of Stock Borrow"** means that the Issuer and/or its affiliates would incur a rate to borrow Shares with respect to the Securities that is greater than the Initial Stock Loan Rate.

**"Initial Averaging Date"** means:

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Averaging Reference Dates – Common/Individual" or "Share Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of a Share Basket where "Share Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

**"Initial Setting Date"** means:

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Reference Dates – Common/Individual" or "Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of a Share Basket where "Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

**"Initial Stock Loan Rate"** means the stock loan rate so specified in the relevant Final Terms.

**"Insolvency"** means, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceedings affecting a Share Issuer (a) all the Shares of such Share Issuer are required to be transferred to any trustee, liquidator or other similar official, or (b) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

**"Insolvency Filing"** means, in respect of a Share, that the Issuer determines that the relevant Share Issuer has instituted, or has had instituted against it by a regulator,

supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Share Issuer shall not be an Insolvency Filing.

**"Interim Valuation Date"** means:

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Reference Dates – Common/Individual" or "Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of a Share Basket where "Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

**"Jurisdictional Event"** means, in respect of any Shares (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer (acting in good faith and in a commercially reasonable manner) determines that it and/or any affiliate is not able to buy and/or sell such Shares with or for a currency acceptable to the Issuer on the relevant Exchange or the relevant Exchange fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the share price of such Shares on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Local Jurisdiction"** means, in respect of a Share, the jurisdiction in which the Exchange for such Share is located.

**"Loss of Stock Borrow"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares with respect to the Securities in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**"Market Disruption Event"** means, in respect of a Share, the occurrence or existence on any Scheduled Trading Day of a Trading Disruption or an Exchange Disruption which in either case the Issuer determines is material, at any time during the one hour period that ends at the relevant Valuation Time or an Early Closure.

**"Maximum Days of Disruption"** means:

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Averaging Reference Dates – Individual/Individual", "Share Basket and Averaging Reference Dates – Common/Individual", "Share Basket and Reference Dates – Individual/Individual" or "Share Basket and Reference Dates – Common/Individual" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days in respect of the single Share or a Share in such Share Basket, or such other number of Scheduled Trading Days in respect of the single Share or a Share in such Share Basket as specified in the relevant Final Terms; or
- (b) in respect of a Share Basket where "Share Basket and Averaging Reference Dates – Common/Common" or "Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days or such other number of Scheduled Trading Days as specified in the relevant Final Terms.

**"Maximum Stock Loan Rate"** means the stock loan rate so specified in the relevant Final Terms.

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**"Merger Event"** means, in respect of any Shares, any (a) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Share Issuer is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event.

**"Nationalisation"** means that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Potential Adjustment Event"** means with respect to any Share Issuer, any of the following:

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;

## Equity-linked Securities

- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of such Share Issuer equally or proportionately with such payments to holders of such Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by such Share Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer;
- (c) the declaration or payment of an Extraordinary Dividend;
- (d) a call by it in respect of Shares that are not fully paid;
- (e) a repurchase by it or any of its subsidiaries of its Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Issuer, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (g) any other event that may have a diluting or concentrating effect on the theoretical value of the relevant Shares; or
- (h) the making of any amendment or supplement to the terms of the Deposit Agreement.

**"Reference Currency"** means, in respect of a Share, the currency in which such Share is denominated.

**"Reference Date"** means each Initial Setting Date, Valuation Date or Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Related Exchange(s)"** means, in respect of a Share, each exchange or quotation system so specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Issuer has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to such Share.

**"Relevant Currency"** means any of the Settlement Currency, the Reference Currency, USD, EUR and GBP.

**"Scheduled Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

**"Scheduled Averaging Reference Date"** means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

**"Scheduled Initial Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Averaging Date.

**"Scheduled Initial Setting Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Setting Date.

**"Scheduled Interim Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been an Interim Valuation Date.

**"Scheduled Reference Date"** means each Scheduled Initial Setting Date, Scheduled Valuation Date or Scheduled Interim Valuation Date.

**"Scheduled Trading Day"** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**"Scheduled Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

**"Share"** means, subject to Asset Term 2, each share or depositary receipt specified in the relevant Final Terms and, in the case of depositary receipts, shall, where appropriate in the determination of the Issuer, include the shares underlying the depositary receipts which are the subject of the Deposit Agreement.

**"Share Basket"** means a basket composed of Shares in the relative proportions or numbers of Shares.

**"Share Issuer"** is, subject to Asset Term 2, as specified in the relevant Final Terms and, in the case of depositary receipts, shall, where appropriate in the determination of the Issuer, include the issuer of the shares underlying the depositary receipts which are the subject of the Deposit Agreement.

**"Share Price"** means on any relevant day, subject as provided in Asset Term 2, the price of the relevant Share quoted on the relevant Exchange as determined by the Issuer as at the Valuation Time on such day.

**"Tender Offer"** means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Share Issuer, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems in its determination relevant.

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Issuer).

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Trading Disruption"** means, in respect of a Share, any suspension of or limitation imposed on trading (a) by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, or (b) in futures or options contracts relating to the Share.

**"Valid Date"** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Valuation Date"** means (other than in the case of Warrants):

- (a) in respect of (i) a single Share, or (ii) a Share Basket where "Share Basket and Reference Dates – Common/Individual" or "Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of a Share Basket where "Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of a Share in such Share Basket, or if such date is not a Scheduled Trading Day for such Share, the next following Scheduled Trading Day for such Share.

**"Valuation Time"** means, in respect of a Share, the time so specified in the relevant Final Terms or, if no such time is specified the Scheduled Closing Time on the relevant Exchange in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 2. **Disrupted Days and Other Adjustments**

### 2.1 **Consequences of Disrupted Days**

#### (a) **Single Share and Reference Dates**

Where the Securities relate to a single Share, if the Issuer determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Reference Date.

#### (b) **Single Share and Averaging Reference Dates**

Where the Securities relate to a single Share, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Reference Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Reference Date is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date shall be the first succeeding Scheduled Trading Day following the final Scheduled

Averaging Reference Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:

- (A) the last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date;
- (ii) **"Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day. In that case:
- (A) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
- (A) the last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **Share Basket and Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to a Share Basket, if the relevant Final Terms specify that "Share Basket and Reference Dates – Individual/Individual" or "Share Basket and Reference Dates – Common/Individual" applies to the Share Basket and any Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any Share in the Share Basket, then such Reference Date for such Share shall be the first succeeding Scheduled Trading Day for such Share that the Issuer determines is not a Disrupted Day relating to that Share, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Share equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Share. In that case:

- (i) the last consecutive Scheduled Trading Day for such Share shall be deemed to be the Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day for such Share; and
- (ii) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Reference Date for such Share.

(d) **Share Basket and Reference Dates – Common/Common**

Where the Securities relate to a Share Basket, if the relevant Final Terms specify that "Share Basket and Reference Dates – Common/Common" applies to the Share Basket and any Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any Share in the Share Basket, then such Reference Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day following such Scheduled Reference Date which the Issuer determines is not a Disrupted Day for any Share in the Share Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day relating to one or more Shares in the Share Basket. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such Reference Date);
- (ii) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
- (iii) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (iii) shall be deemed to be the Share Price in respect of the Reference Date for such Affected Basket Share.

(e) **Share Basket and Averaging Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to a Share Basket, if the relevant Final Terms specify that "Share Basket and Averaging Reference Dates – Individual/Individual" or "Share Basket and Averaging Reference Dates – Common/Individual" applies to the Share Basket and any Averaging Reference Date and if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect of any Share in the Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each Share in the Share Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
  - (A) for each Share in the Share Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is not a Disrupted Day, the sole Averaging Reference Date for such Share shall be the final Scheduled Averaging Reference Date; and
  - (B) for each Share in the Share Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is a Disrupted Day, then the sole Averaging Reference Date for such Share shall be the first succeeding Scheduled Trading Day for such Share following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to such Share, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Share equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that Share. In that case:
    - (I) that last consecutive Scheduled Trading Day for such Share shall be deemed to be the sole Averaging Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day for such Share; and
    - (II) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date for such Share;
- (ii) **"Postponement"**, then for each Share in the Share Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Share shall be the first succeeding Scheduled Trading Day for such Share following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to that Share (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date for such Share), unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Share equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to such Share. In that case:
  - (A) the last consecutive Scheduled Trading Day for such Share shall be deemed to be the Averaging Reference Date for such Share (irrespective of whether that last consecutive Scheduled Trading Day for such Share is already or is deemed to be another

Averaging Reference Date or is a Disrupted Day for such Share);  
and

- (B) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Share; or
- (iii) **"Modified Postponement"**, then for each Share in the Share Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Share shall be the first succeeding Valid Date relating to that Share. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day for such Share equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
  - (A) that last consecutive Scheduled Trading Day for such Share shall be deemed to be the Averaging Reference Date for such Share (irrespective of whether that last consecutive Scheduled Trading Day for such Share is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such Share); and
  - (B) the Issuer shall determine its good faith estimate of the value for such Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such Share, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Share.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any Share in the Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(f) **Share Basket and Averaging Reference Dates – Common/Common**

Where the Securities relate to a Share Basket, if the relevant Final Terms specify that "Share Basket and Averaging Reference Dates – Common/Common" applies to the Share Basket and an Averaging Reference Date, then if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect of any Share in the Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each Share in the Share Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then the sole Averaging Reference Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day for any Share in the Share Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days in equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to one or more Shares in the Share Basket. In that case:

- (A) that last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such sole Averaging Reference Date);
  - (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
  - (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date for such Affected Basket Share;
- (ii) "**Postponement**", then the Averaging Reference Date for each Share in the Share Basket shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date which the Issuer determines is not a Disrupted Day for any Share in the Share Basket (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to one or more Shares in the Share Basket. In that case:
- (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such Averaging Reference Date);
  - (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
  - (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Affected Basket Share; or
- (iii) "**Modified Postponement**", then the Averaging Reference Date for each Share in the Share Basket shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:

- (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date for each Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Shares in the Share Basket (each such Share being an "**Affected Basket Share**" for such Averaging Reference Date);
- (B) for each Share in the Share Basket other than an Affected Basket Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
- (C) for each Affected Basket Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Affected Basket Share.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any Share in the Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

## 2.2 Consequences of Potential Adjustment Events

- (a) If the Issuer determines that a Potential Adjustment Event has occurred in respect of a Share, the Issuer will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, the Issuer will (i) make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Issuer determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share), and (ii) determine the effective date(s) of the adjustment(s). The Issuer may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.
- (b) Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Securityholders stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Potential Adjustment Event or any action taken.

## 2.3 Consequences of Extraordinary Events

If the Issuer determines that an Extraordinary Event has occurred in respect of a Share then, on or after the relevant Merger Date, Tender Offer Date or Announcement Date, as the case may be, the Issuer may in its discretion (acting in good faith and in a commercially reasonable manner) either:

- (a) (i) make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of such Extraordinary Event (which may include, without limitation, adjustments to account for

changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Extraordinary Event by an options exchange to options on the relevant Shares traded on such options exchange; and

- (ii) determine the effective date of that adjustment; or
- (b) if "Share Substitution" is specified as being applicable in the relevant Final Terms, then the Issuer may, acting in good faith and in a commercially reasonable manner, select a new underlying share (in respect of the relevant Extraordinary Event, the "**Replacement Share**"), which Replacement Share will be deemed to be a Share in place of the Share which has been replaced by the Issuer following such Extraordinary Event (and the Share Issuer of the Replacement Share will replace the Share Issuer of the replaced Share), and the Issuer may make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of the Extraordinary Event and/or the replacement of the replaced Share by the Replacement Share (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities). Any Replacement Share will, to the extent practicable, be selected from the same economic sector, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced Share; or
- (c) if the Issuer determines that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day falling on or after the relevant Merger Date, Tender Offer Date or Announcement Date, as the case may be, as the Issuer shall select in its sole and absolute discretion.

#### 2.4 **Consequences of Additional Disruption Events**

If the Issuer determines that an Additional Disruption Event (if specified as being applicable in the relevant Final Terms) has occurred, then the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities), and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

#### 3. **Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to a Share that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer

may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

**4. Correction of prices**

In the event that any relevant price of a Share published on the Exchange on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Exchange by the second Currency Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

## EQUITY INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Equity Index-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Foreign Ownership Event, an FX Disruption, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means:

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of such single Index or an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of an Index Basket where "Index Basket and Averaging Reference Dates – Common/Individual" or "Index Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for each Index in such Index Basket, the next following Scheduled Trading Day for each Index in such Index Basket.

**"Averaging Reference Date"** means each Initial Averaging Date and Averaging Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities:

- (a) if "Change in Law Option 1" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (A) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to any Components in the Index, or (B) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements;
- (b) if "Change in Law Option 2" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), (A) the Issuer determines in good faith that it has or it will, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any

entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any of its Hedge Positions relating to any Components in the Index, or (B) the Issuer determines that either the adoption or change described in (i) above or the promulgation or change described in (ii) above has resulted or will result, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, in an increased amount of tax, duty, expense or fee (other than brokerage commissions) for the Issuer, any of its affiliates or any entities which are relevant to the Hedging Arrangements to (I) acquire, establish, re-establish, maintain, unwind or dispose of any of its Hedge Positions, or (II) realize, recover or remit the proceeds of such Hedge Positions, which the Issuer in good faith determines to be material (relative to the position on the Trade Date for the relevant Securities); or

- (c) if "Change in Law Option 3" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to any Components in the Index.

**"Common Valid Date"** means, in respect of an Index Basket, a Scheduled Trading Day for each Index in such Index Basket that is not a Disrupted Day for any Index in such Index Basket and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Component"** means, in respect of an Index, any share, security, commodity, rate, index or other component included in such Index, as determined by the Issuer.

**"Disrupted Day"** means, in respect of:

- (a) a Single-Exchange Index, any Scheduled Trading Day on which (i) a relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred or is continuing;
- (b) a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Sponsor fails to publish the level of the Index (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) any Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred or is continuing; and
- (c) a Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

**"Disruption Threshold"** means the percentage so specified in the relevant Final Terms.

**"Early Closure"** means, in respect of an Index (other than a Proprietary Index), the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day, and (b) the submission

deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**"Exchange"** means in respect of any Components of an Index (other than a Proprietary Index), the stock exchange(s) or quotation system(s) (from time to time) on which, in the determination of the Sponsor for the purposes of that Index, such Components are listed or quoted and, if the Issuer in its discretion so determines, on which any depositary receipts in respect of such Components are listed or quoted in which event references to the Components of an Index may, where the Issuer determines the context to permit, include such depositary receipts.

**"Exchange Business Day"** means, in respect of:

- (a) a Single-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions; and
- (b) a Multi-Exchange Index, any Scheduled Trading Day on which the Sponsor publishes the level of the Index and each Related Exchange is open for trading during its regular trading session,

notwithstanding in either case any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means, in respect of an Index (other than a Proprietary Index), any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (a) to effect transactions in, or obtain market values for, (in the case of a Multi-Exchange Index) any Component of the Index (and, if the Issuer in its discretion so determines, any depositary receipts in respect of such securities) on any relevant Exchange or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Index on any relevant Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to the relevant Index on any relevant Related Exchange.

**"Foreign Ownership Event"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts to acquire, establish, re-establish, substitute or maintain any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities due to any restriction imposed by a share issuer, any court, tribunal or regulatory authority with competent jurisdiction on the ability of a person to acquire or own the relevant Component, by virtue of being a foreign person. If both Change in Law and Foreign Ownership Event are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Foreign Ownership Event also constitutes a Change in Law, such event shall be deemed to be a Change in Law and shall not constitute a Foreign Ownership Event.

**"FX Disruption"** means the occurrence of any event after the Trade Date of the relevant Securities that makes the Issuer and/or its affiliates unable, after using commercially reasonable efforts, to:

- (a) transfer through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge from accounts (i) within the Local Jurisdiction to (A) accounts outside such Local Jurisdiction, (B) other accounts within such Local Jurisdiction, or (C) the accounts of a non-resident of such Local Jurisdiction, or (ii) outside the Local Jurisdiction to accounts within such Local Jurisdiction;
- (b) convert through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an

FX Disruption Hedge into any other Relevant Currency, where such conversion is at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or

- (c) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge can be exchanged for any other Relevant Currency.

If both Hedging Disruption and FX Disruption are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Hedging Disruption also constitutes an FX Disruption, such event shall be deemed to be an FX Disruption and shall not constitute a Hedging Disruption.

**"FX Disruption Hedge"** means, in respect of the Issuer and/or its affiliates, any transaction(s) or asset(s) that the Issuer and/or its affiliates deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or its affiliates in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer and/or its affiliates at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Index"** means, subject as provided in Asset Term 2, the Index (or, if more than one, each Index) specified in the relevant Final Terms.

**"Index Adjustment Event"** means, in respect of an Index, an Index Cancellation, an Index Disruption or an Index Modification.

**"Index Basket"** means a basket composed of Indices in the relative proportions or numbers of Indices.

**"Index Cancellation"** means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, permanently cancels such Index and no Successor Index exists as at the date of such cancellation.

**"Index Disruption"** means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on any Reference Date, Averaging Reference Date, Observation Date or other relevant date, fails to calculate and announce such Index, as determined by the Issuer (provided that, in respect of a Multi-Exchange Index or a Proprietary Index, the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day).

**"Index Level"** means, on any relevant day, subject as provided in Asset Term 2, the level of the relevant Index determined by the Issuer as at the relevant Valuation Time on such day, as calculated and published by the relevant Sponsor.

**"Index Modification"** means, in respect of an Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, makes or announces that it will make a material change in the formula for, or the method of, calculating such Index, or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the Components, capitalisation and/or other routine events).

**"Initial Averaging Date"** means:

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of such single Index or an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of an Index Basket where "Index Basket and Averaging Reference Dates – Common/Individual" or "Index Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for each Index in such Index Basket, the next following Scheduled Trading Day for each Index in such Index Basket.

**"Initial Setting Date"** means:

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of such single Index or an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of an Index Basket where "Index Basket and Reference Dates – Common/Individual" or "Index Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms,

subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for each Index in such Index Basket, the next following Scheduled Trading Day for each Index in such Index Basket.

**"Interim Valuation Date"** means:

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of such single Index or an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of an Index Basket where "Index Basket and Reference Dates – Common/Individual" or "Index Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for each Index in such Index Basket, the next following Scheduled Trading Day for each Index in such Index Basket.

**"Jurisdictional Event"** means, in respect of an Index (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer (acting in good faith and in a commercially reasonable manner) determines that it and/or any affiliate is not able to buy and/or sell one or more Components of such Index or shares of companies whose depository receipts are comprised in such Index ("**Related Shares**") with or for a currency acceptable to the Issuer on the relevant Exchange (or the exchange or quotation system on which the relevant Related Shares are listed or quoted) or the relevant Exchange (or exchange or quotation system) fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the share price of such shares on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Local Jurisdiction"** means, in respect of an Index, the jurisdiction in which the Exchange for such Index is located.

**"Market Disruption Event"** means, in respect of:

- (a) a Single-Exchange Index or a Multi-Exchange Index, the occurrence or existence of a Trading Disruption or an Exchange Disruption which in either case the Issuer determines is material, at any time during the one-hour period that ends at the relevant Valuation Time or an Early Closure provided that, in the case of a Multi-Exchange Index (other than where the Market Disruption Event relates to futures or options contracts relating to that Index), the Components of the Index in respect of which an Early Closure, Exchange Disruption and/or Trading Disruption occurs or exists amount, in the determination of the Issuer, in aggregate to a percentage equal to the Disruption Threshold or more of the level of the Index. For the purpose of

determining whether a Market Disruption Event exists at any time in respect of a Component included in the relevant Index at any time, then the relevant percentage contribution of that Component to the level of the relevant Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that Component, and (y) the overall level of the relevant Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Issuer; and

- (b) a Proprietary Index, the failure by the Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication.

**"Maximum Days of Disruption"** means:

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Averaging Reference Dates – Individual/Individual", "Index Basket and Averaging Reference Dates – Common/Individual", "Index Basket and Reference Dates – Individual/Individual" or "Index Basket and Reference Dates – Common/Individual" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days in respect of the single Index or an Index in such Index Basket, or such other number of Scheduled Trading Days in respect of the single Index or an Index in such Index Basket as specified in the relevant Final Terms; or
- (b) in respect of an Index Basket where "Index Basket and Averaging Reference Dates – Common/Common" or "Index Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days in respect of each Index in such Index Basket or such other number of Scheduled Trading Days in respect of each Index in such Index Basket as specified in the relevant Final Terms.

**"Multi-Exchange Index"** means any Index which is so specified in the relevant Final Terms, or, if not specified, any Index the Issuer determines as such.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Proprietary Index"** means any Index which is so specified in the relevant Final Terms, or, if not specified, any Index the Issuer determines as such.

**"Reference Currency"** means, in respect of an Index, the currency in which such Index is denominated.

**"Reference Date"** means each Initial Setting Date, Valuation Date or Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Related Exchange(s)"** means, in respect of an Index, each exchange or quotation system so specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Issuer has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where **"All Exchanges"** is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean each exchange or quotation system where

trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to such Index.

**"Relevant Currency"** means any of the Settlement Currency, the Reference Currency, USD, EUR, GBP and the currency in which each Component of the Index is denominated.

**"Relevant Exchange Rate"** means the reference exchange rate for the conversion of the relevant currency into the Settlement Currency (or, if no such direct exchange rates are published, the effective rate resulting from the application of rates into and out of one or more intermediate currencies) as the Issuer may determine to be the prevailing spot rate for such exchange.

**"Required Exchange"** means, in respect of an Index specified as a Multi-Exchange Index or a Proprietary Index, the exchange(s) so specified in the relevant Final Terms.

**"Scheduled Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

**"Scheduled Averaging Reference Date"** means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

**"Scheduled Closing Time"** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

**"Scheduled Initial Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Averaging Date.

**"Scheduled Initial Setting Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Setting Date.

**"Scheduled Interim Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been an Interim Valuation Date.

**"Scheduled Reference Date"** means each Scheduled Initial Setting Date, Scheduled Valuation Date or Scheduled Interim Valuation Date.

**"Scheduled Trading Day"** means, in respect of:

- (a) a Single-Exchange Index, any day on which each Exchange and each Related Exchange for such Index are scheduled to be open for trading for their respective regular trading sessions;
- (b) a Multi-Exchange Index, any day on which the Sponsor is scheduled to publish the level of the Index and each Required Exchange (if any) and each Related Exchange for such Index are scheduled to be open for trading for their regular trading sessions;
- (c) a Proprietary Index, any day on or, as the case may be, in respect of, which the Sponsor is scheduled to publish the level of the Index and each Required Exchange (if any) for such Index is scheduled to be open for trading for their regular trading sessions;
- (d) any Component referenced by the Index which is a Share, any day on which the relevant Exchange and the relevant Related Exchange for such Share (as defined in the Equity-linked Securities Asset Terms) are scheduled to be open for trading for their respective regular trading sessions; and

- (e) any Component which is not a Share, any day on which the value, level or price, as is applicable, is scheduled to be published or disseminated, or is otherwise scheduled to be available.

**"Scheduled Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

**"Share"** means, in respect of an Index, any share included in such Index, as determined by the Issuer.

**"Single-Exchange Index"** means any Index which is so specified in the relevant Final Terms, or, if not specified, any Index the Issuer determines as such.

**"Sponsor"** means, in relation to an Index, the corporation or other entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such Index, and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Issuer who calculates and announces the Index or any agent or person acting on behalf of such person.

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Trading Disruption"** means, in respect of an Index (other than a Proprietary Index), any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any Component of the Index or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Index, or (b) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

**"Valid Date"** means, in respect of an Index, a Scheduled Trading Day for such Index that is not a Disrupted Day for such Index and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Valuation Date"** means (other than in the case of Warrants):

- (a) in respect of (i) a single Index, or (ii) an Index Basket where "Index Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of such single Index or an Index in such Index Basket, or if such date is not a Scheduled Trading Day for such Index, the next following Scheduled Trading Day for such Index; or
- (b) in respect of an Index Basket where "Index Basket and Reference Dates – Common/Individual" or "Index Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an Index in such Index Basket, or if such date is not a Scheduled Trading Day for each Index in such Index Basket, the next following Scheduled Trading Day for each Index in such Index Basket.

**"Valuation Time"** means, in respect of:

- (a) a Single-Exchange Index or a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred, (A) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (B) in respect of any options or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time so specified in the relevant Final Terms or, if no such

time is specified, the time with reference to which the Sponsor calculates and publishes the closing level of such Index; and

- (b) a Proprietary Index, the time with reference to which the Sponsor calculates and publishes the closing level of such Index.

## 2. **Disrupted Days, Index Adjustment Events and Other Adjustments**

### 2.1 **Consequences of Disrupted Days**

#### (a) **Single Index and Reference Dates**

Where the Securities relate to a single Index, if the Issuer determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine the Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Index Level in respect of the Reference Date.

#### (b) **Single Index and Averaging Reference Dates**

Where the Securities relate to a single Index, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Reference Date is:

- (i) "**Omission**", then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (B) the Issuer shall determine the Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the sole Averaging Reference Date;
- (ii) "**Postponement**", then the relevant Averaging Reference Date shall be the first succeeding Scheduled Trading Day following such Scheduled

Averaging Reference Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day. In that case:

- (A) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine the Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
- (A) the last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine the Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **Index Basket and Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to an Index Basket, if the relevant Final Terms specify that "Index Basket and Reference Dates – Individual/Individual" or "Index Basket and Reference Dates – Common/Individual" applies to the Index Basket and a Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any Index in the Index Basket, then such Reference Date for such Index shall be the first succeeding Scheduled Trading Day for such Index that the Issuer determines is not a Disrupted Day relating to that Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Index equal in number to the Maximum Days of Disruption immediately

following such Scheduled Reference Date is a Disrupted Day relating to that Index. In that case:

- (i) the last consecutive Scheduled Trading Day for such Index shall be deemed to be the Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
- (ii) the Issuer shall determine the Index Level for such Index on or in respect of that last consecutive Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Index Level in respect of the Reference Date for such Index.

(d) **Index Basket and Reference Dates – Common/Common**

Where the Securities relate to an Index Basket, if the relevant Final Terms specify that "Index Basket and Reference Dates – Common/Common" applies to the Index Basket and a Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any Index in the Index Basket, then such Reference Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket following such Scheduled Reference Date which the Issuer determines is not a Disrupted Day for any Index in the Index Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days for each Index in the Index Basket equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day relating to one or more Indices in the Index Basket. In that case:

- (i) the last consecutive Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Reference Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Reference Date);
- (ii) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day for each Index in the Index Basket; and
- (iii) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that last consecutive Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (iii) shall be deemed to be the Index Level in respect of the Reference Date for such Affected Basket Index.

(e) **Index Basket and Averaging Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to an Index Basket, if the relevant Final Terms specify that "Index Basket and Averaging Reference Dates – Individual/Individual" or "Index Basket and Averaging Reference Dates – Common/Individual" applies to the Index Basket and an Averaging Reference Date and if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect

of any Index in the Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each Index in the Index Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
  - (A) for each Index in the Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is not a Disrupted Day, the sole Averaging Reference Date for such Index shall be the final Scheduled Averaging Reference Date; and
  - (B) for each Index in the Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is a Disrupted Day, then the sole Averaging Reference Date for such Index shall be the first succeeding Scheduled Trading Day for such Index following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to such Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that Index. In that case:
    - (I) that last consecutive Scheduled Trading Day for such Index shall be deemed to be the sole Averaging Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day for such Index; and
    - (II) the Issuer shall determine the Index Level for such Index on or in respect of that last consecutive Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Index Level in respect of the sole Averaging Reference Date for such Index;
- (ii) **"Postponement"**, then for each Index in the Index Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Index shall be the first succeeding Scheduled Trading Day for such Index following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to that Index (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date for such Index), unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Index equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to such Index. In that case:
  - (A) the last consecutive Scheduled Trading Day for such Index shall be deemed to be the Averaging Reference Date for such Index (irrespective of whether that last consecutive Scheduled Trading Day for such Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such Index); and
  - (B) the Issuer shall determine the Index Level for such Index on or in respect of that last consecutive Scheduled Trading Day for such

Index in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date for such Index; or

- (iii) **"Modified Postponement"**, then for each Index in the Index Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Index shall be the first succeeding Valid Date relating to that Index. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day for such Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
  - (A) that last consecutive Scheduled Trading Day for such Index shall be deemed to be the Averaging Reference Date for such Index (irrespective of whether that last consecutive Scheduled Trading Day for such Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such Index); and
  - (B) the Issuer shall determine the Index Level for such Index on or in respect of that last consecutive Scheduled Trading Day for such Index in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date for such Index.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any Index in the Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(f) **Index Basket and Averaging Reference Dates – Common/Common**

Where the Securities relate to an Index Basket, if the relevant Final Terms specify that "Index Basket and Averaging Reference Dates – Common/Common" applies to the Index Basket and an Averaging Reference Date, then if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect of any Index in the Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each Index in the Index Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then the sole Averaging Reference Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day for any Index in the Index Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days for each Index in the Index Basket in equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to one or more Indices in the Index Basket. In that case:

- (A) that last consecutive Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the sole Averaging Reference Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such sole Averaging Reference Date);
  - (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day for each Index in the Index Basket; and
  - (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that last consecutive Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the sole Averaging Reference Date for such Affected Basket Index;
- (ii) "**Postponement**", then the Averaging Reference Date for each Index in the Index Basket shall be the first succeeding Scheduled Trading Day for each Index in the Index Basket following such Scheduled Averaging Reference Date which the Issuer determines is not a Disrupted Day for any Index in the Index Basket (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days for each Index in the Index Basket equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to one or more Indices in the Index Basket. In that case:
- (A) that last consecutive Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Averaging Reference Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Averaging Reference Date);
  - (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day for each Index in the Index Basket; and
  - (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that last consecutive Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date for such Affected Basket Index; or
- (iii) "**Modified Postponement**", then the Averaging Reference Date for each Index in the Index Basket shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of

the relevant Valuation Time on the last consecutive Scheduled Trading Day for each Index in the Index Basket equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:

- (A) that last consecutive Scheduled Trading Day for each Index in the Index Basket shall be deemed to be the Averaging Reference Date for each Index in the Index Basket, notwithstanding the fact that such day is a Disrupted Day for one or more Indices in the Index Basket (each such Index being an "**Affected Basket Index**" for such Averaging Reference Date);
- (B) for each Index in the Index Basket other than an Affected Basket Index, the relevant Index Level shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day for each Index in the Index Basket; and
- (C) for each Affected Basket Index, the Issuer shall determine the Index Level for such Affected Basket Index on or in respect of that last consecutive Scheduled Trading Day for each Index in the Index Basket in accordance with Asset Term 2.1(g) (*Formula for and method of calculating an Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Index Level in respect of the relevant Averaging Reference Date for such Affected Basket Index.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any Index in the Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(g) **Formula for and method of calculating an Index Level after the Maximum Days of Disruption**

In respect of an Index, the Issuer shall determine the Index Level on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Asset Term 2.1(a)(ii), 2.1(b)(i)(B), 2.1(b)(ii)(B), 2.1(b)(iii)(B), 2.1(c)(ii), 2.1(d)(iii), 2.1(e)(i)(B)(II), 2.1(e)(ii)(B), 2.1(e)(iii)(B), 2.1(f)(i)(C), 2.1(f)(ii)(C) or 2.1(f)(iii)(C), as the case may be, in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the relevant first Disrupted Day, using:

- (i) in respect of a Single-Exchange Index or Multi-Exchange Index, the Exchange traded or quoted price as of the Valuation Time on the last consecutive Scheduled Trading Day of each Component comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity-linked Securities Asset Term 1) has occurred in respect of any relevant Component that is a Share (or an analogous event has occurred in respect of any relevant Component that is not a Share) on such last consecutive Scheduled Trading Day, or such last consecutive Scheduled Trading Day is not a Scheduled Trading Day for any relevant Component, as determined by the Issuer, its good faith estimate of the value for the relevant Component as of the Valuation Time on the last consecutive Scheduled Trading Day); and
- (ii) in respect of a Proprietary Index, such levels or values as the Issuer determines to be appropriate as of the Valuation Time on or in respect of

that last consecutive Scheduled Trading Day of each Component comprised in such Index.

## 2.2 Index Adjustment Events

### (a) Successor Sponsor or Successor Index

If an Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer (a "**Successor Sponsor**"), or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index.

The Issuer may make such adjustment(s) that it deems appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such Successor Index.

### (b) Occurrence of an Index Adjustment Event

If the Issuer determines in respect of an Index that, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, an Index Adjustment Event has occurred in respect of such Index, then the Issuer shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Index Level using, in lieu of a published level for such Index, the level for such Index as at the Valuation Time on that Reference Date, Averaging Reference Date, Observation Date or other relevant date, as the case may be, as determined by the Issuer in accordance with the formula for, and method of, calculating such Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised such Index immediately prior to such Index Adjustment Event (other than those Components that have since ceased to be listed on the relevant Exchange).

If the Issuer determines, in its discretion, that the above adjustments would not achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

## 2.3 Consequences of Additional Disruption Events

If the Issuer determines that an Additional Disruption Event (where specified as being applicable in the relevant Final Terms) has occurred, the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

3. **Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to an Index that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

4. **Correction of Index Levels**

In the event that any relevant level of an Index published by the Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Sponsor by the second Currency Business Day prior to the next date on which any relevant payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

5. **Responsibility**

Neither the Issuer nor the Agents shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of an Index, whether caused by negligence or otherwise.

## COMMODITY-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Commodity-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms.

**"Bullion"** means each of Gold, Silver, Platinum or Palladium, as the case may be.

**"Bullion Reference Dealers"** means, with respect to any Bullion for which the relevant Commodity Reference Price is **"Commodity Reference Dealers"**, the four (or such other number specified in the relevant Final Terms) major dealers that are the members of the LBMA specified in the relevant Final Terms, or if no such Bullion Reference Dealers are specified, selected by the Issuer, in each case, acting through their principal London offices.

**"CBOT"** means the Chicago Board of Trade or its successor.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any Commodity relating to such Securities, or any Futures Contract or exchange-traded commodity option relating to any such Commodity (including, without limitation, if the relevant entity's positions in the relevant Commodity, Futures Contract or exchange-traded commodity option under the relevant hedging arrangements (in whole or in part) are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any particular exchange(s) or other trading facility (it being within the sole and absolute discretion of the relevant entity to determine which of the relevant assets or transactions comprising such positions are counted towards such limit)), or (ii) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

**"CME"** means the Chicago Mercantile Exchange or its successor.

**"Commodity"** means each commodity specified in the relevant Final Terms.

**"Commodity Business Day"** means:

- (a) in respect of any Commodity (other than Bullion) for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time;

- (b) in respect of any Commodity (other than Bullion) for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price; and
- (c) in respect of any Commodity which is Bullion, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in such location as the Issuer may determine to be the place where payment or delivery would be or is to be made for such Bullion under any related Hedging Arrangements.

**"Commodity Business Day Convention"** means the convention for adjusting any Reference Date if it would otherwise fall on a day that is not a Commodity Business Day, as the case may be, so that:

- (a) if **"Following Commodity Business Day Convention"** is specified in the relevant Final Terms, that Reference Date will be the first following day that is a Commodity Business Day;
- (b) if **"Modified Following Commodity Business Day Convention"** is specified in the relevant Final Terms, that Reference Date will be the first following day that is a Commodity Business Day, unless that day falls in the next calendar month, in which case that Reference Date will be the first preceding day that is a Commodity Business Day;
- (c) if **"Nearest Commodity Business Day Convention"** is specified in the relevant Final Terms, that Reference Date will be (i) the first preceding day that is a Commodity Business Day if such day falls on a day other than a Sunday or Monday, and (ii) the first following day that is a Commodity Business Day if such day falls on a Sunday or Monday;
- (d) if **"Preceding Commodity Business Day Convention"** is specified in the relevant Final Terms, that Reference Date will be the first preceding day that is a Commodity Business Day; or
- (e) if **"No Adjustment"** is specified in the relevant Final Terms, that Reference Date will nonetheless be such day. If a Relevant Price of a Commodity is to be determined on such Reference Date, such Relevant Price shall be determined in accordance with Issuer Determination.

If the relevant Final Terms does not specify an applicable Commodity Business Day Convention in respect of any Reference Date, then it shall be deemed that Following Commodity Business Day Convention shall apply.

**"Commodity Reference Dealers"** means that the price for a date will be determined on the basis of quotations provided by Reference Dealers or Bullion Reference Dealers on that date of that day's Specified Price for a unit of the relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer or Bullion Reference Dealer, without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that date will be the Specified Price provided by the relevant Reference Dealer or Bullion Reference Dealer that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for that date cannot be determined.

**"Commodity Reference Price"** means, in respect of a Commodity, the reference price for such Commodity or for the Futures Contract relating to such Commodity specified in the relevant Final Terms.

**"Delayed Publication or Announcement"** means that the Relevant Price for a Reference Date, as determined by the Issuer, will be determined based on the Specified Price in respect of the original day for such Reference Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been such Reference Date) or the Relevant Price continues to be unavailable for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption. In that case, the next Disruption Fallback specified in the relevant Final Terms will apply.

**"Delivery Date"** means, in respect of a Commodity Reference Price, the Nearby Month of expiration of the relevant Futures Contract or the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows:

- (a) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year; and
- (b) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract.

**"Disappearance of Commodity Reference Price"** means, in relation to a Commodity Reference Price:

- (a) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange;
- (b) the disappearance of, or of trading in, the relevant Commodity; or
- (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the relevant Commodity.

**"Disruption Fallback"** means, in respect of a Commodity and a Commodity Reference Price, Delayed Publication or Announcement, Fallback Reference Dealers, Fallback Reference Price, Issuer Determination, Postponement as specified as applicable in the relevant Final Terms.

**"Exchange"** means in respect of a Commodity the exchange or principal trading market for the relevant Commodity or Futures Contract specified in the relevant Final Terms.

**"Fallback Reference Dealers"** means that the Relevant Price will be determined in accordance with the Commodity Reference Price, "Commodity Reference Dealers".

**"Fallback Reference Price"** means that the Issuer will determine the Relevant Price based on the price for the Reference Date of the first alternate Commodity Reference Price specified in the relevant Final Terms and not subject to a Market Disruption Event.

**"Futures Contract"** means, in respect of a Commodity and a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to that Commodity specified in the relevant Final Terms.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Gold"** means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer and/or its affiliates at any time with respect to the Securities, including without limitation the purchase and/or sale of any commodities, any options or futures on such commodities and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"ICE"** means the Intercontinental Exchange™ or its successor.

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Initial Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms.

**"Initial Setting Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms.

**"Interim Valuation Date"** means, subject as provided in Asset Term 2, any date so specified in the relevant Final Terms.

**"Issuer Determination"** means that the Issuer will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

**"Jurisdictional Event"** means, in respect of a Commodity (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the jurisdiction of the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer determines that it and/or any affiliate is not able to buy and/or sell such Commodity or any Futures Contract or exchange-traded commodity option relating to such Commodity, with or for a currency acceptable to the Issuer on the relevant Exchange or the relevant Exchange fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the price of such Commodity on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"KCBOT"** means the Kansas City Board of Trade or its successor.

**"LBMA"** means the London Bullion Market Association or its successor.

**"LME"** means the London Metal Exchange Limited or its successor.

**"LPPM"** means the London Platinum and Palladium Market or its successor.

**"Market Disruption Event"** means the occurrence, with respect to any Commodity or Futures Contract, of any of (a) Price Source Disruption, (b) Trading Disruption, (c) Disappearance of Commodity Reference Price, (d) Material Change in Formula, (e) Material Change in Content or (f) Tax Disruption if so specified in the relevant Final Terms.

**"Material Change in Content"** means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

**"Material Change in Formula"** means, in respect of a Commodity, the occurrence since the Issue Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

**"Maximum Days of Disruption"** means five Commodity Business Days or such other number of Commodity Business Days as specified in the relevant Final Terms.

**"Nearby Month"**, when preceded by a numerical adjective, means, in respect of a Reference Date, the month of expiration of the Futures Contract identified by that numerical adjective, so that, for example: (a) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that date, (b) **"Second Nearby Month"** means the month of expiration of the second Futures Contract to expire following that date, and (c) **"Sixth Nearby Month"** means the month of expiration of the sixth Futures Contract to expire following that date.

**"NYMEX"** means the New York Mercantile Exchange or its successor.

**"Palladium"** means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

**"Platinum"** means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.

**"Postponement"** means that the Reference Date for the Commodity Reference Price will be deemed to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless such Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been such Reference Date) for consecutive Commodity Business Days equal in number to the Maximum Days of Disruption in respect of such Commodity. In that case, the next Disruption Fallback specified in the relevant Final Terms will apply.

**"Price Source"** means, in respect of a Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the definition of the relevant Commodity Reference Price in the relevant Final Terms.

**"Price Source Disruption"** means, in respect of a Commodity or Futures Contract:

- (a) the failure of the relevant Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price;
- (b) the temporary or permanent discontinuance or unavailability of the Price Source;
- (c) if the Commodity Reference Price is "**Commodity Reference Dealers**", the failure to obtain at least three quotations as requested from the relevant Reference Dealers; or
- (d) if a Price Materiality Percentage is specified in the relevant Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price "**Commodity Reference Dealers**" by such Price Materiality Percentage.

"**Reference Date**" means, in respect of a Commodity, each Initial Averaging Date, Initial Setting Date, Averaging Date, Valuation Date and Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

"**Reference Dealers**" means, in respect of a Commodity (other than Bullion) for which the Commodity Reference Price is "**Commodity Reference Dealers**", the four (or such other number) dealers specified in the relevant Final Terms or, if dealers are not so specified, four leading dealers in the relevant market selected by the Issuer in its discretion.

"**Relevant Price**" means, in respect of any Reference Date and a Commodity, the price, expressed as a price per unit of measure of such Commodity, determined with respect to that Reference Date for the specified Commodity Reference Price.

"**Silver**" means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.

"**Specified Price**" means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the relevant Final Terms (and, if applicable, as of the time so specified): (a) the high price, (b) the mid price, (c) the low price, (d) the average of the high price and the low price, (e) the closing price, (f) the opening price, (g) the bid price, (h) the asked price, (i) the average of the bid price and the asked price, (j) the settlement price, (k) the official settlement price, (l) the official price, (m) the morning fixing, (n) the afternoon fixing, (o) the fixing, (p) the bid fixing, (q) the mid fixing, (r) the asked fixing or (s) the spot price.

"**Tax Disruption**" means, in respect of a Commodity, the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the relevant Commodity or Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day on which the Commodity Reference Price would otherwise be determined from what it would have been without that imposition, change or removal.

"**Trade Date**" means the date so specified in the relevant Final Terms.

"**Trading Disruption**" means, in respect of the relevant Commodity, the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the relevant Commodity on the relevant Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the relevant Final Terms. For these purposes:

- (a) a suspension of the trading in the Futures Contract or the relevant Commodity on any Commodity Business Day shall be deemed to be material only if:
  - (i) all trading in the Futures Contract or the relevant Commodity is suspended for the entire day; or
  - (ii) all trading in the Futures Contract or the relevant Commodity is suspended subsequent to the opening of trading on such day, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such day and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the relevant Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

**"Valuation Date"** means (other than in the case of Warrants), subject as provided in Asset Term 2, the date so specified in the relevant Final Terms.

## 2. **Non-Commodity Business Days, Market Disruption Events and other Adjustment Events**

### 2.1 **Adjustments for non-Commodity Business Days and Market Disruption Events**

- (a) If a Reference Date is not a Commodity Business Day, such date shall be adjusted in accordance with the relevant Commodity Business Day Convention, as specified in the relevant Final Terms.
- (b) If the Issuer determines that a Market Disruption Event has occurred or exists on any Reference Date (or, if different, the day on which the prices for such Reference Date would, in the ordinary course, be published or announced by the Price Source), the Relevant Price for such Reference Date will be determined by the Issuer in accordance with the first applicable Disruption Fallback (applied in accordance with Asset Term 2.3 (*Applicability of Disruption Fallbacks*)) that provides a Relevant Price.

### 2.2 **Applicability of Market Disruption Events**

- (a) Subject to paragraphs (b) and (c) below, a Market Disruption Event is applicable in respect of a Commodity if it is specified in the relevant Final Terms and, if one or more Market Disruption Events are specified in the relevant Final Terms, then only those Market Disruption Events will apply.
- (b) In respect of all Commodities (other than Bullion), if no Market Disruption Event is specified in the relevant Final Terms, the following Market Disruption Events will be deemed to have been specified and be applicable:
  - (i) Disappearance of Commodity Reference Price;
  - (ii) Material Change in Content;
  - (iii) Material Change in Formula;
  - (iv) Price Source Disruption; and
  - (v) Trading Disruption.

## Commodity-linked Securities

- (c) In respect of Bullion, if no Market Disruption Event is specified in the relevant Final Terms, the following Market Disruption Events will be deemed to have been specified and be applicable:
  - (i) Disappearance of Commodity Reference Price;
  - (ii) Price Source Disruption; and
  - (iii) Trading Disruption.

### 2.3 **Applicability of Disruption Fallbacks**

A Disruption Fallback is applicable if it is specified in the relevant Final Terms or, if no Disruption Fallback is specified in the relevant Final Terms, the following Disruption Fallbacks will be deemed to have been specified and be applicable (in the following order):

- (a) Fallback Reference Price (if an alternate Commodity Reference Price has been specified in the relevant Final Terms);
- (b) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days as the applicable Maximum Days of Disruption) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a price within the Maximum Days of Disruption;
- (c) Fallback Reference Dealers; and
- (d) Issuer Determination.

If any Disruption Fallbacks are specified in the relevant Final Terms, only that or those (as the case may be) Disruption Fallbacks shall apply and if two or more Disruption Fallbacks are specified, those Disruption Fallbacks shall apply in the order as specified in the relevant Final Terms, such that if the Issuer determines that the Relevant Price cannot be determined by applying a Disruption Fallback, then the next Disruption Fallback specified shall apply.

### 2.4 **Common Pricing**

Where the Securities relate to a basket of Commodities and, if "Common Pricing" is specified in the relevant Final Terms as "Applicable" then no date will be a Reference Date unless such date is a day on which the Commodity Reference Prices for each Commodity in the Basket is scheduled to be published or announced, as determined by the Issuer.

### 2.5 **Consequences of Additional Disruption Events**

Following the determination by the Issuer that an Additional Disruption Event (where specified as being applicable in the relevant Final Terms) has occurred, then the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the

Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

### 3. **Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to a Commodity that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

### 4. **Correction of prices**

In the event that any relevant price of a Commodity published on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the entity or person responsible for that publication by the second Currency Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and on a commercially reasonable basis, in connection with the Securities after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

### 5. **Commodity Reference Price and Related Definitions**

The Commodity Reference Price and related definitions for each specified Commodity shall be as set out below.

#### 5.1 **Aluminium**

"**Commodity Reference Price**" means, in respect of any Reference Date and Aluminium, the ALUMINIUM-LME CASH in respect of such Reference Date, as determined by the Issuer,

where:

"**ALUMINIUM-LME CASH**" means, in respect of any Reference Date, that day's Specified Price per metric tonne of Aluminium on the LME for the applicable Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Reference Date,

where:

"**Aluminium**" means high grade primary aluminium; and

"**Specified Price**" means, in respect of any Reference Date, the official cash settlement price per tonne of Aluminium.

#### 5.2 **Brent Crude Oil**

**"Commodity Reference Price"** means, in respect of any Reference Date and Brent Crude Oil, the OIL-BRENT-ICE in respect of such Reference Date, as determined by the Issuer,

where:

**"OIL-BRENT-ICE"** means, in respect of any Reference Date, that day's Specified Price per barrel of Brent Crude Oil on the ICE of the Brent Crude Oil Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the ICE and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Brent Crude Oil"** means Brent blend crude oil;

**"Brent Crude Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Brent Crude Oil; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

### 5.3 Coal

**"Commodity Reference Price"** means, in respect of any Reference Date and Coal, and if in the relevant Final Terms the price specified is:

- (a) "COAL-TFS API 2-ARGUS/MCCLOSKEY'S", then COAL-TFS API 2-ARGUS/MCCLOSKEY'S in respect of such Reference Date, as determined by the Issuer,

where:

**"COAL-TFS API 2-ARGUS/MCCLOSKEY'S"** means, in respect of any Reference Date, that day's Specified Price per tonne of Coal, stated in United States dollars published in the Price Source that reports prices effective on such Reference Date,

where:

**"Coal"** means steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, cif ARA; and

**"Specified Price"** means in respect of any Reference Date, the official settlement price;

- (b) "COAL-TFS API 4-ARGUS/MCCLOSKEY'S", then COAL-TFS API 4-ARGUS/MCCLOSKEY'S in respect of such Reference Date, as determined by the Issuer,

where:

**"COAL-TFS API 4-ARGUS/MCCLOSKEY'S"** means, in respect of any Reference Date, that day's Specified Price per tonne of Coal, stated in United States dollars published in the Price Source that reports prices effective on such Reference Date,

where:

**"Coal"** means steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, fob Richards Bay; and

**"Specified Price"** means in respect of any Reference Date, the official settlement price; or

- (c) "COAL-NEWCASTLE-GLOBALCOAL", then COAL-NEWCASTLE-GLOBALCOAL in respect of such Reference Date, as determined by the Issuer,

where:

**"COAL-NEWCASTLE-GLOBALCOAL"** means, in respect of any Reference Date, that day's Specified Price per tonne of Coal, stated in United States dollars published in the Price Source that reports prices effective on such Reference Date,

where:

**"Coal"** means steam coal; and

**"Specified Price"** means in respect of any Reference Date, the official settlement price.

#### 5.4 **Cocoa**

**"Commodity Reference Price"** means, in respect of any Reference Date and Cocoa, the COCOA-ICE in respect of such Reference Date, as determined by the Issuer,

where:

**"COCOA-ICE"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Cocoa on the ICE of the Cocoa Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the ICE and displayed on the Price Source on such Reference Date,

where:

**"Cocoa"** means deliverable grade cocoa beans;

**"Cocoa Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Cocoa; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

#### 5.5 **Coffee**

**"Commodity Reference Price"** means, in respect of any Reference Date and Coffee, the COFFEE ARABICA-ICE, in respect of such Reference Date, as determined by the Issuer,

where:

**"COFFEE ARABICA-ICE"** means, in respect of any Reference Date, that day's Specified Price per pound of Coffee on the ICE of the Coffee Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Reference Date,

where:

**"Coffee"** means deliverable grade washed arabica coffee;

**"Coffee Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Coffee; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

## 5.6 Copper

**"Commodity Reference Price"** means, in respect of any Reference Date and Copper, and if in the relevant Final Terms the price specified is:

- (a) "COPPER-LME CASH", then COPPER-LME CASH in respect of such Reference Date, as determined by the Issuer,

where:

**"COPPER-LME CASH"** means, in respect of any Reference Date, that day's Specified Price per tonne of Copper on the LME for the Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Copper"** means copper – Grade A or high grade copper; and

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per tonne of Copper; or

- (b) "COPPER-COMEX", then COPPER-COMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"COPPER-COMEX"** means, in respect of any Reference Date, that day's Specified Price per pound of high grade copper on the COMEX of the Copper Commodity Contract for the Delivery Date, stated in United States cents, as determined and made public by the COMEX on such Reference Date,

where:

**"Copper"** means copper – Grade A or high grade copper;

**"Copper Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Copper; and

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per pound of Copper.

## 5.7 Corn

**"Commodity Reference Price"** means, in respect of any Reference Date and Corn, the CORN-CBOT in respect of such Reference Date, as determined by the Issuer,

where:

**"CORN-CBOT"** means, in respect of any Reference Date, that day's Specified Price per bushel of Corn on the CBOT of the Corn Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Reference Date,

where:

**"Corn"** means deliverable grade corn;

**"Corn Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Corn; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per bushel of Corn.

5.8 **Cotton**

**"Commodity Reference Price"** means, in respect of any Reference Date and Cotton, the COTTON NO. 2-ICE, in respect of such Reference Date, as determined by the Issuer,

where:

**"COTTON NO. 2-ICE"** means, in respect of any Reference Date, that day's Specified Price per pound of Cotton on the ICE of the Cotton Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Reference Date,

where:

**"Cotton"** means deliverable grade cotton No. 2;

**"Cotton Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Cotton; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

5.9 **Feeder Cattle**

**"Commodity Reference Price"** means, in respect of any Reference Date and Feeder Cattle, the FEEDER CATTLE-CME in respect of such Reference Date, as determined by the Issuer,

where:

**"FEEDER CATTLE-CME"** means, in respect of any Reference Date, that day's Specified Price per pound of Feeder Cattle on the CME of the Feeder Cattle Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CME and displayed on the Price Source on such Reference Date,

where:

**"Feeder Cattle"** means deliverable grade medium and large #1 feeder steers;

**"Feeder Cattle Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Feeder Cattle; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per pound of Feeder Cattle.

5.10 **Gas Oil**

**"Commodity Reference Price"** means, in respect of any Reference Date and Gas Oil, the GAS OIL-ICE in respect of such Reference Date, as determined by the Issuer,

where:

**"GAS OIL-ICE"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Gas Oil on the ICE of the Gas Oil Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the ICE and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Gas Oil"** means gas oil;

**"Gas Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Gas Oil; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

#### 5.11 Gold

**"Commodity Reference Price"** means, in respect of any Reference Date and Gold, and if in the relevant Final Terms the price specified is:

- (a) "GOLD-COMEX", then GOLD-COMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"GOLD-COMEX"** means, in respect of any Reference Date, that day's Specified Price per troy ounce of Gold on the COMEX of the Gold Commodity Contract for the Delivery Date, stated in United States dollars, as determined and made public by the COMEX on such Reference Date,

where:

**"Gold Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Gold; and

**"Specified Price"** means, in respect of any Reference Date, the official fixing price;

- (b) "GOLD-A.M. FIX", then GOLD-A.M. FIX in respect of such Reference Date, as determined by the Issuer,

where:

**"GOLD-A.M. FIX"** means, in respect of any Reference Date, that morning's Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the London Gold Market and displayed on the Price Source that displays prices effective on such Reference Date,

where **"London Gold Market"** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold; or

- (c) "GOLD-P.M. FIX", then GOLD-P.M. FIX in respect of such Reference Date, as determined by the Issuer,

where:

**"GOLD-P.M. FIX"** means, in respect of any Reference Date, that afternoon's Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in United States dollars, as calculated by the London Gold Market and displayed on the Price Source that displays prices effective on such Reference Date,

where **"London Gold Market"** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

#### 5.12 Heating Oil

**"Commodity Reference Price"** means, in respect of any Reference Date and Heating Oil, the HEATING OIL-NEW YORK-NYMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"HEATING OIL-NEW YORK-NYMEX"** means, in respect of any Reference Date, that day's Specified Price per gallon of Heating Oil on the NYMEX of the Heating Oil Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Heating Oil"** means New York Harbor No. 2 heating oil;

**"Heating Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Heating Oil; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

#### 5.13 Iron Ore

**"Commodity Reference Price"** means, in respect of any Reference Date and Iron Ore, the IRON ORE-PRICE in respect of such Reference Date, as determined by the Issuer,

where:

**"IRON ORE-PRICE"** means, in respect of any Reference Date, the day's price per dry metric tonne of Iron Ore for the applicable Delivery Date, stated in United States dollars, as published by The Steel Index (TSIP062 Index, or its successor) under the heading "The Steel Index Iron Ore Reference Prices (China Imports): Iron Ore Fines, Delivered China: 62% Fe (US\$/dry tonne)" as currently reported on Bloomberg page TSIP062 INDEX,

where **"Iron Ore"** means iron ore.

#### 5.14 Kansas Wheat

**"Commodity Reference Price"** means, in respect of any Reference Date and Kansas Wheat, the WHEAT HRW-KCBOT in respect of such Reference Date, as determined by the Issuer,

where:

**"WHEAT HRW-KCBOT"** means, in respect of any Reference Date, that day's Specified Price per bushel of Kansas Wheat on the KCBOT of the Kansas

## Commodity-linked Securities

Wheat Commodity Contract for the Delivery Date, stated in United States cents, as made public by the KCBOT and displayed on the Price Source on such Reference Date,

where:

**"Kansas Wheat"** means deliverable grade hard red winter wheat;

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per bushel of Kansas Wheat; and

**"Wheat Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Kansas Wheat.

### 5.15 Lead

**"Commodity Reference Price"** means, in respect of any Reference Date and Lead, the LEAD-LME CASH in respect of such Reference Date, as determined by the Issuer,

where:

**"LEAD-LME CASH"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Lead on the LME for the applicable Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source on such Reference Date that displays prices effective on such Reference Date,

where:

**"Lead"** means standard lead; and

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per tonne of Lead.

### 5.16 Lean Hogs

**"Commodity Reference Price"** means, in respect of any Reference Date and Lean Hogs, the LEAN HOGS-CME in respect of such Reference Date, as determined by the Issuer,

where:

**"LEAN HOGS-CME"** means, in respect of any Reference Date, that day's Specified Price per pound of Lean Hogs on the CME of the Lean Hogs Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CME and displayed on the Price Source on such Reference Date,

where:

**"Lean Hogs"** means deliverable grade lean value hog carcasses;

**"Lean Hogs Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Lean Hogs; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per pound of Lean Hogs.

### 5.17 Live Cattle

**"Commodity Reference Price"** means, in respect of any Reference Date and Live Cattle, the LIVE CATTLE-CME in respect of such Reference Date, as determined by the Issuer,

where:

**"LIVE CATTLE-CME"** means, in respect of any Reference Date, that day's Specified Price per pound of Live Cattle on the CME of the Live Cattle Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CME and displayed on the Price Source on such Reference Date,

where:

**"Live Cattle"** means deliverable grade live steers;

**"Live Cattle Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Live Cattle; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per pound of Live Cattle.

#### 5.18 **Natural Gas**

**"Commodity Reference Price"** means, in respect of any Reference Date and Natural Gas, the NATURAL GAS-NYMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"NATURAL GAS-NYMEX"** means, in respect of any Reference Date, that day's Specified Price per Million British Thermal Units (MMBTU) of Natural Gas on the NYMEX of the Natural Gas Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Natural Gas"** means natural gas;

**"Natural Gas Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Natural Gas; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

#### 5.19 **Nickel**

**"Commodity Reference Price"** means, in respect of any Reference Date and Nickel, the NICKEL-LME CASH in respect of such Reference Date, as determined by the Issuer,

where:

**"NICKEL-LME CASH"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Nickel on the LME for the applicable Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source on such Reference Date that displays prices effective on such Reference Date,

where:

**"Nickel"** means primary nickel; and

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per tonne of Nickel.

5.20 **Palladium**

**"Commodity Reference Price"** means, in respect of any Reference Date and Palladium, the PALLADIUM-P.M. FIX in respect of such Reference Date, as determined by the Issuer,

where:

**"PALLADIUM-P.M. FIX"** means, in respect of any Reference Date, that afternoon's Palladium fixing price per troy ounce of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in United States dollars, as calculated by the LPPM and displayed on the Price Source that displays prices effective on such Reference Date.

5.21 **Platinum**

**"Commodity Reference Price"** means, in respect of any Reference Date and Platinum, the PLATINUM-P.M. FIX in respect of such Reference Date, as determined by the Issuer,

where:

**"PLATINUM-P.M. FIX"** means, in respect of any Reference Date, that afternoon's Platinum fixing price per troy ounce of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in United States dollars, as calculated by the LPPM and displayed on the Price Source that displays prices effective on such Reference Date.

5.22 **RBOB Gasoline**

**"Commodity Reference Price"** means, in respect of any Reference Date and RBOB Gasoline, the GASOLINE RBOB-NEW YORK-NYMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"GASOLINE RBOB-NEW YORK-NYMEX"** means, in respect of any Reference Date, that day's Specified Price per gallon of RBOB Gasoline on the NYMEX of the RBOB Gasoline Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"RBOB Gasoline"** means New York Harbor Reformulated Gasoline Blendstock for Oxygen Blending;

**"RBOB Gasoline Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to RBOB Gasoline; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price.

5.23 **Silver**

**"Commodity Reference Price"** means, in respect of any Reference Date and Silver, and if in the relevant Final Terms the price specified is:

- (a) "SILVER-COMEX", then SILVER-COMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"SILVER-COMEX"** means, in respect of any Reference Date, that day's Specified Price per troy ounce of Silver on the COMEX of the Silver Commodity Contract for the Delivery Date, stated in United States cents, as determined and made public by the COMEX on such Reference Date,

where:

**"Silver Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Silver; and

**"Specified Price"** means, in respect of any Reference Date, the official fixing price; or

- (b) "SILVER-FIX", then SILVER-FIX in respect of such Reference Date, as determined by the Issuer,

where:

**"SILVER-FIX"** means, in respect of any Reference Date, that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. dollars, as calculated by the London Silver Market and displayed on the Price Source on that displays prices effective on such Reference Date,

where **"London Silver Market"** means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver.

#### 5.24 Soybeans

**"Commodity Reference Price"** means, in respect of any Reference Date and Soybeans, the SOYBEANS-CBOT in respect of such Reference Date, as determined by the Issuer,

where:

**"SOYBEANS-CBOT"** means, in respect of any Reference Date, that day's Specified Price per bushel of Soybeans on the CBOT of the Soybeans Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Reference Date,

where:

**"Soybeans"** means deliverable grade soybeans;

**"Soybeans Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Soybeans; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per bushel of Soybeans.

#### 5.25 Soybean Oil

**"Commodity Reference Price"** means, in respect of any Reference Date and Soybean Oil, the SOYBEAN OIL-CBOT in respect of such Reference Date, as determined by the Issuer,

where:

**"SOYBEAN OIL-CBOT"** means, in respect of any Reference Date, that day's Specified Price per pound of Soybean Oil on the CBOT of the Soybean Oil Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Reference Date,

where:

**"Soybean Oil"** means deliverable grade soybean oil;

**"Soybean Oil Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Soybean Oil; and

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per bushel of Soybean Oil.

#### 5.26 Sugar

**"Commodity Reference Price"** means, in respect of any Reference Date and Sugar, the SUGAR #11 (WORLD)-ICE in respect of such Reference Date, as determined by the Issuer,

where:

**"SUGAR #11 (World)-ICE"** means, in respect of any Reference Date, that day's Specified Price per pound of Sugar on the ICE of the Sugar Commodity Contract for the Delivery Date, stated in United States cents, as made public by the ICE and displayed on the Price Source on such Reference Date,

where:

**"Specified Price"** means, in respect of any Reference Date, the official settlement price;

**"Sugar"** means deliverable grade cane sugar; and

**"Sugar Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Sugar.

#### 5.27 Tin

**"Commodity Reference Price"** means, in respect of any Reference Date and Tin, the TIN-LME-CASH in respect of such Reference Date, as determined by the Issuer,

where:

**"TIN-LME-CASH"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Tin on the LME for the applicable Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per tonne of Tin; and

"Tin" means tin.

5.28 **Wheat**

**"Commodity Reference Price"** means, in respect of any Reference Date and Wheat, the WHEAT-CBOT in respect of such Reference Date, as determined by the Issuer,

where:

**"WHEAT-CBOT"** means, in respect of any Reference Date, that day's Specified Price per bushel of Wheat on the CBOT of the Wheat Commodity Contract for the Delivery Date, stated in United States cents, as made public by the CBOT and displayed on the Price Source on such Reference Date,

where:

**"Specified Price"** means, in respect of any Reference Date, the official settlement price per bushel of Wheat;

**"Wheat"** means deliverable grade wheat; and

**"Wheat Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to Wheat.

5.29 **WTI Crude Oil**

**"Commodity Reference Price"** means, in respect of any Reference Date and WTI, the OIL-WTI-NYMEX in respect of such Reference Date, as determined by the Issuer,

where:

**"Oil-WTI-NYMEX"** means, in respect of any Reference Date, that day's Specified Price per barrel of WTI on the NYMEX of the WTI Commodity Contract for the Delivery Date, stated in United States dollars, as made public by the NYMEX and displayed on the Price Source that displays prices effective on such Reference Date,

where:

**"Specified Price"** means, in respect of any Reference Date, the official settlement price;

**"WTI"** or **"WTI Crude Oil"** means West Texas Intermediate light sweet crude oil; and

**"WTI Commodity Contract"** means the contract for future delivery in respect of the relevant Delivery Date relating to WTI.

5.30 **Zinc**

**"Commodity Reference Price"** means, in respect of any Reference Date and Zinc, the ZINC-LME CASH in respect of such Reference Date, as determined by the Issuer,

where:

**"ZINC-LME CASH"** means, in respect of any Reference Date, that day's Specified Price per metric tonne of Zinc on the LME for the applicable Delivery Date, stated in United States dollars, as determined by the LME and displayed on the Price Source on such Reference Date that displays prices effective on such Reference Date,

where:

## Commodity-linked Securities

**"Specified Price"** means, in respect of any Reference Date, the official cash settlement price per tonne of Zinc; and

**"Zinc"** means special high grade zinc.

## COMMODITY INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Commodity Index-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any relevant Component of any Commodity Index relating to such Securities (including, without limitation, if the relevant entity's positions in the relevant Component under the relevant hedging arrangements (in whole or in part) are (or, but for the consequent disposal thereof, would otherwise be) in excess of any allowable position limit(s) in relation to any particular exchange(s) or other trading facility (it being within the sole and absolute discretion of the relevant entity to determine which of the relevant assets or transactions comprising such positions are counted towards such limit)), or (ii) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

**"Commodity Index"** means, subject as provided in Asset Term 2, the Commodity Index (or, if more than one, each Commodity Index) specified in the relevant Final Terms.

**"Commodity Index Level"** means, on any relevant day, subject as provided in Asset Term 2, the closing level of the relevant Commodity Index determined by the Issuer on such Scheduled Trading Day.

**"Component"** means, in respect of a Commodity Index, any commodity, commodity options or commodity futures comprised in such Commodity Index. If a Commodity Index itself comprises or includes one or more other commodity indices, **"Component"** shall be read and construed as the relevant underlying commodity, commodity options or commodity futures.

**"Disappearance of Component Price"** means, in respect of a Commodity Index, either (a) the failure of trading to commence or the permanent discontinuance of trading in any Component related to such Commodity Index on the relevant Exchange, or (b) the disappearance of, or of trading in, any such Component.

**"Disrupted Day"** means, in respect of a Commodity Index, any Scheduled Trading Day on which a Market Disruption Event has occurred or is continuing.

**"Early Closure"** means, in respect of a Commodity Index, the closure on any Scheduled Trading Day of any relevant Exchange in respect of a Component prior to its Scheduled Closing Time.

**"Exchange"** means, in respect of a Component, the exchange or principal trading market for such Component as determined by the Issuer.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any Component and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Initial Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms.

**"Initial Setting Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms.

**"Interim Valuation Date"** means, subject as provided in Asset Term 2, any date so specified in the relevant Final Terms.

**"Jurisdictional Event"** means, in respect of a Commodity Index (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the jurisdiction of the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer determines that it and/or any affiliate is not able to buy and/or sell any Component with or for a currency acceptable to the Issuer on the relevant Exchange or the relevant Exchange fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the price of any such Component on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith

and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Market Disruption Event"** means, in respect of a Commodity Index or any Component of a Commodity Index, the occurrence of any of a Price Source Disruption, Trading Disruption, Disappearance of Component Price, Early Closure, Material Change in Formula, Material Change in Content or Tax Disruption if so specified as applicable in the relevant Final Terms.

**"Material Change in Content"** means, in respect of a Commodity Index, the occurrence since the Issue Date of a material change in the content, composition or constitution of that Commodity Index or a Component thereof.

**"Material Change in Formula"** means, in respect of a Commodity Index, the occurrence since the Issue Date of a material change in the formula for or method of calculating the Commodity Index Level or the relevant price of any related Component.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Price Source"** means, in respect of a Component, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the price for such Component used in the market for transactions relating to such Component, as determined by the Issuer.

**"Price Source Disruption"** means, in respect of a Commodity Index, (a) a temporary or permanent failure by the Sponsor to announce or publish the Commodity Index Level (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Commodity Index Adjustment Event), or (b) in respect of any Component of such Commodity Index, (i) the failure of the relevant Price Source to announce or publish the price for such Component, or (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

**"Reference Date"** means, in respect of a Commodity Index, each Initial Setting Date, Initial Averaging Date, Averaging Date, Valuation Date and Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Scheduled Averaging Date"** means, in respect of a Commodity Index, an original date that, but for such day not being a Scheduled Trading Day for such Commodity Index, would have been an Averaging Date.

**"Scheduled Closing Time"** means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time on such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

**"Scheduled Initial Averaging Date"** means, in respect of a Commodity Index, an original date that, but for such day not being a Scheduled Trading Day for such Commodity Index, would have been an Initial Averaging Date.

**"Scheduled Initial Setting Date"** means, in respect of a Commodity Index, an original date that, but for such day not being a Scheduled Trading Day for such Commodity Index, would have been an Initial Setting Date.

**"Scheduled Interim Valuation Date"** means, in respect of a Commodity Index, an original date that, but for such day not being a Scheduled Trading Day for such Commodity Index, would have been an Interim Valuation Date.

**"Scheduled Reference Date"** means, in respect of a Commodity Index, each Scheduled Initial Setting Date, Scheduled Initial Averaging Date, Scheduled Averaging Date, Scheduled Valuation Date or Scheduled Interim Valuation Date in respect of such Commodity Index, in each case, subject to adjustment in accordance with these Asset Terms.

**"Scheduled Trading Day"** means, in respect of a Commodity Index, a day:

- (a) when the Sponsor for such Commodity Index is open for business and on which the Commodity Index Level is scheduled to be published by the Sponsor; and
- (b) the Exchanges for all Components included in such Commodity Index are open for trading (or are scheduled to be open subject to the occurrence of a Market Disruption Event).

**"Scheduled Valuation Date"** means, in respect of a Commodity Index, an original date that, but for such day not being a Scheduled Trading Day for such Commodity Index, would have been a Valuation Date.

**"Sponsor"** means, in respect of a Commodity Index, the corporation or other entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such Commodity Index, and (b) announces (directly or through an agent) the level of such Commodity Index on each Scheduled Trading Day failing whom such person acceptable to the Issuer who calculates and announces such Commodity Index or any agent or person acting on behalf of such person.

**"Tax Disruption"** means, in respect of a Commodity Index, the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to any Component of such Commodity Index (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the relevant price of such Component on the day on which such price would otherwise be determined from what it would have been without that imposition, change or removal.

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Trading Disruption"** means, in respect of a Commodity Index, the material suspension of, or the material limitation imposed on, trading in any Component of such Commodity Index on the relevant Exchange, or any other event that disrupts or impairs, as determined by the Issuer, the ability of market participants in general to effect transactions in, or obtain market values on, any Exchange in respect of such Component. For these purposes:

- (a) a suspension of the trading in the relevant Component on any Scheduled Trading Day shall be deemed to be material only if:
  - (i) all trading in the relevant Component is suspended for the entire day; or
  - (ii) all trading in the relevant Component is suspended subsequent to the opening of trading on such day, trading does not recommence at least 10 minutes prior to, and continue until, the regularly scheduled close of trading in such Component on such day; and

- (b) a limitation of trading in the relevant Component on any Scheduled Trading Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Component may fluctuate and the closing or settlement price of the Component on such day is at the upper or lower limit of that range.

**"Valuation Date"** means (other than in the case of Warrants), subject as provided in Asset Term 2, the date so specified in the relevant Final Terms.

## 2. **Non-Scheduled Trading Days, Disrupted Days and other Adjustment Events**

### 2.1 **Consequences of non-Scheduled Trading Days and Disrupted Days**

If, in respect of a Commodity Index:

- (a) the Issuer determines that any Scheduled Reference Date is a Scheduled Trading Day that is not a Disrupted Day for such Commodity Index, then the Reference Date for such Commodity Index shall be such Scheduled Reference Date;
- (b) the Issuer determines that any Scheduled Reference Date is not a Scheduled Trading Day for such Commodity Index, then the Reference Date for such Commodity Index shall be the first succeeding day that is a Scheduled Trading Day for such Commodity Index, unless the Issuer determines that each of the five consecutive Currency Business Days in respect of such Commodity Index immediately following such Scheduled Reference Date is not a Scheduled Trading Day. In that case, the fifth consecutive Currency Business Day immediately following the Scheduled Reference Date shall be deemed to be the Reference Date, and the Issuer shall determine the Commodity Index Level for such Reference Date in good faith and in a commercially reasonable manner; and
- (c) the Issuer determines that a Reference Date for such Commodity Index is a Disrupted Day, then the Commodity Index Level of such Commodity Index for such Reference Date will be determined by the Issuer using the then-current method for calculating such Commodity Index as set out in the rule book for such Commodity Index, but based on and by reference to the settlement price of each Component included in such Commodity Index as follows:
  - (i) in respect of each Component included in such Commodity Index which is not affected by a Market Disruption Event on such Reference Date, the settlement price of such Component will be that announced or published by the Exchange for such Component on such Reference Date; and
  - (ii) in respect of each Component included in such Commodity Index which is affected by a Market Disruption Event on such Reference Date, the settlement price of such Component will be based on the settlement price of such Component on the first trading day of the Exchange for such Component following the Reference Date on which no Market Disruption Event is occurring in respect of such Component, provided that if the settlement price of such Component has not been so determined by the fifth consecutive Scheduled Trading Day in respect of such Commodity Index immediately following such Reference Date, the Issuer shall determine the settlement price of such Component in good faith and in a commercially reasonable manner.

### 2.2 **Adjustments to a Commodity Index**

- (a) **Successor Index and Successor Sponsor**

If a Commodity Index is not calculated and announced by the Sponsor but is (i) calculated and announced by a successor sponsor (the "Successor Sponsor") acceptable to the Issuer, and/or (ii) replaced by a successor index (the "Successor Index") using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of such Commodity Index, then such Commodity Index will be deemed to be the commodity index so calculated and announced by that Successor Sponsor and/or that Successor Index, as the case may be.

The Issuer may make such adjustment(s) that it deems appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such Successor Index.

**(b) Commodity Index Adjustment Events**

In respect of a Commodity Index, if, on or prior to a Reference Date or any other relevant date, as determined by the Issuer, (i) the Commodity Index Sponsor makes a material change in the formula for or the method of calculating such Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain such Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Sponsor permanently cancels such Commodity Index, or (iii) the Sponsor fails to calculate and announce such Commodity Index and the Issuer determines that there is no Successor Sponsor and/or Successor Index (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Price Source Disruption), then the Issuer may at its option (in the case of (i)) and shall (in the case of such (ii) and (iii)) (such events (i), (ii) and (iii) to be collectively referred to as "Commodity Index Adjustment Events") calculate the Commodity Index Level for the applicable Reference Date or such other relevant date in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Commodity Index Adjustment Event, but using only those Components that comprised that Commodity Index immediately prior to the relevant Commodity Index Adjustment Event (other than those Components that have ceased to be listed on any relevant Exchange).

If the Issuer determines, in its discretion, that the above adjustments would not achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

**2.3 Consequences of Additional Disruption Events**

If the Issuer determines that an Additional Disruption Event (where specified as being applicable in the relevant Final Terms) has occurred, the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the

Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

**3. Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to a Commodity Index that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

**4. Correction of Commodity Index Levels**

In the event that any relevant level of a Commodity Index published by the Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Sponsor by the second Currency Business Day prior to the next date on which any relevant payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

**5. Responsibility**

Neither the Issuer nor the Agents shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of a Commodity Index, whether caused by negligence or otherwise.

## ETF-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "ETF-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Cross-contamination, a Foreign Ownership Event, a Fund Insolvency Event, a Fund Modification, an FX Disruption, a Hedging Disruption, an Increased Cost of Hedging, a Loss of Stock Borrow, an Increased Cost of Stock Borrow, a Regulatory Action and/or a Strategy Breach, as specified to be applicable in the relevant Final Terms.

**"Additional Fund Documents"** means any documents of the relevant Fund which are determined to be Fund Documents by the Issuer.

**"Announcement Date"** means, in respect of (a) a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (b) a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (c) a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, and (d) a Delisting, the date of the first public announcement by the Exchange that the ETF Shares will cease to be listed, traded or publicly quoted in the manner described in the definition of Delisting. In respect of any Extraordinary Event, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

**"Averaging Date"** means:

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Common/Individual" or "ETF Share Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of an ETF Share in such ETF Share Basket, or if such date is not a Scheduled Trading Day for such ETF Share, the next following Scheduled Trading Day for such ETF Share.

**"Averaging Reference Date"** means each Initial Averaging Date and Averaging Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities:

- (a) if "Change in Law Option 1" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer

determines that (A) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities, or (B) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements;

- (b) if "Change in Law Option 2" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), (A) the Issuer determines in good faith that it has or it will, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any of its Hedge Positions relating to such Securities, or (B) the Issuer determines that either the adoption or change described in (i) above or the promulgation or change described in (ii) above has resulted or will result, within the next 15 calendar days but on or before the Maturity Date or Settlement Date, as applicable, in an increased amount of tax, duty, expense or fee (other than brokerage commissions) for the Issuer, any of its affiliates or any entities which are relevant to the Hedging Arrangements to (I) acquire, establish, re-establish, maintain, unwind or dispose of any of its Hedge Positions, or (II) realize, recover or remit the proceeds of such Hedge Positions, which the Issuer in good faith determines to be material (relative to the position on the Trade Date for the relevant Securities); or
- (c) if "Change in Law Option 3" is specified to be applicable in the relevant Final Terms, (i) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an "**Applicable Regulation**"), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities.

**"Common Valid Date"** means, in respect of an ETF Share Basket, a Scheduled Trading Day that is not a Disrupted Day for any ETF Share in the ETF Share Basket and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Cross-contamination"** means, in respect of an ETF Share and the related Fund, the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series or sub-funds of such Fund, and such event continues, in the determination of the Issuer, for the foreseeable future.

**"Delisting"** means, in respect of any ETF Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the ETF Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country

as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**"Deposit Agreement"** means, in relation to ETF Shares which are depositary receipts, the agreements or other instruments constituting such depositary receipts, as from time to time amended or supplemented in accordance with their terms.

**"Disrupted Day"** means, in respect of an ETF Share, any Scheduled Trading Day on which (a) the Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session, or (c) a Market Disruption Event has occurred.

**"Early Closure"** means, in respect of an ETF Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day, and (b) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**"ETF"** means an exchange traded fund.

**"ETF Share"** means, subject to Asset Term 2, each ETF share or depositary receipt specified in the relevant Final Terms and, in the case of depositary receipts, shall, where appropriate in the determination of the Issuer, include the ETF shares underlying the depositary receipts which are the subject of the Deposit Agreement.

**"ETF Share Basket"** means a basket composed of ETF Shares in the relative proportions or numbers of ETF Shares.

**"Exchange"** means, in respect of an ETF Share, the exchange or quotation system so specified in the relevant Final Terms or such other exchange or quotation system on which such ETF Share is, in the determination of the Issuer, traded or quoted as the Issuer may (acting in good faith and in a commercially reasonable manner) select and notify to Securityholders in accordance with the General Conditions or (in any such case) any transferee or successor exchange and shall, in the case of depositary receipts, where appropriate in the determination of the Issuer, include the primary exchange or quotation system on which the underlying ETF shares are traded, as determined by the Issuer.

**"Exchange Business Day"** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means, in respect of an ETF Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer) the ability of market participants in general (a) to effect transactions in, or obtain market values for, such ETF Share on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to such ETF Share on any relevant Related Exchange.

**"Extraordinary Dividend"** means, in respect of an ETF Share, any dividend or portion thereof which is determined by the Issuer to be an Extraordinary Dividend.

**"Extraordinary Event"** means, in respect of an ETF Share, a Merger Event, a Tender Offer, a Nationalisation or a Delisting.

**"Final Share Price"** means, in respect of an ETF Share, the price of such ETF Share quoted on the relevant Exchange at the Valuation Time on the Valuation Date, as determined by the Issuer.

**"Foreign Ownership Event"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts to acquire, establish, re-establish, substitute or maintain any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities due to any restriction imposed by the related Fund, any court, tribunal or regulatory authority with competent jurisdiction on the ability of a person to acquire or own the relevant ETF Shares, by virtue of being a foreign person. If both Change in Law and Foreign Ownership Event are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Foreign Ownership Event also constitutes a Change in Law, such event shall be deemed to be a Change in Law and shall not constitute a Foreign Ownership Event.

**"Fund"** means in respect of an ETF Share, subject to Asset Term 2, the issuer of such ETF Share as specified in the relevant Final Terms and, in the case of depositary receipts, shall, where appropriate in the determination of the Issuer, include the issuer of the ETF shares underlying the depositary receipts which are the subject of the Deposit Agreement.

**"Fund Administrator"** means, in respect of an ETF Share and the related Fund, any person so specified in the relevant Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Fund according to the Fund Documents.

**"Fund Adviser"** means, in respect of an ETF Share and the related Fund, any person so specified in the relevant Final Terms or, if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

**"Fund Documents"** means, in respect of an ETF Share and the related Fund, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such ETF Share and any Additional Fund Documents, in each case, as amended from time to time.

**"Fund Insolvency Event"** means, in respect of an ETF Share, that the Fund related to the ETF Share or any other entity specified in the relevant Final Terms as a **"Fund Insolvency Entity"** (a) is dissolved or has a resolution passed for its dissolution, winding up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (b) makes a general assignment or arrangement with or for the benefit of its creditors, (c)(i) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (B) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof, (d) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (e) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession,

or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter, or (f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) through (e) above.

**"Fund Modification"** means, in respect of an ETF Share and the related Fund, any change or modification of the Fund Documents of such Fund in respect of such ETF Share which could reasonably be expected to affect (a) the value of such ETF Share, or (b) the rights or remedies of any holder of any ETF Share as compared with those rights and remedies prevailing on the Trade Date, in each case, as determined by the Issuer.

**"FX Disruption"** means the occurrence of any event after the Trade Date of the relevant Securities that makes the Issuer and/or its affiliates unable, after using commercially reasonable efforts, to:

- (a) transfer through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge from accounts (i) within the Local Jurisdiction to (A) accounts outside such Local Jurisdiction, (B) other accounts within such Local Jurisdiction, or (C) the accounts of a non-resident of such Local Jurisdiction, or (ii) outside the Local Jurisdiction to accounts within such Local Jurisdiction;
- (b) convert through customary legal channels any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge into any other Relevant Currency, where such conversion is at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or
- (c) obtain a rate or a commercially reasonable rate (as determined by the Issuer), in each case, at which any amount denominated in a Relevant Currency required for the acquisition, establishment, re-establishment, substitution, maintenance, unwind or disposal of all or part of an FX Disruption Hedge can be exchanged for any other Relevant Currency.

If both Hedging Disruption and FX Disruption are specified to be applicable in the relevant Final Terms, where an event or circumstance that would otherwise (but for this provision) constitute a Hedging Disruption also constitutes an FX Disruption, such event shall be deemed to be an FX Disruption and shall not constitute a Hedging Disruption.

**"FX Disruption Hedge"** means, in respect of the Issuer and/or its affiliates, any transaction(s) or asset(s) that the Issuer and/or its affiliates deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or its affiliates in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its

affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Hedging Shares"** means the number of ETF Shares that the Issuer (and/or its affiliates) deems it necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Securities.

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk, relating to the ETF Share, of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Increased Cost of Stock Borrow"** means that the Issuer and/or its affiliates would incur a rate to borrow ETF Shares with respect to the Securities that is greater than the Initial Stock Loan Rate.

**"Index Sponsor"** means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Reference Index, and (b) announces (directly or through an agent) the level of the relevant Reference Index on a regular basis during each Scheduled Trading Day.

**"Initial Averaging Date"** means:

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Common/Individual" or "ETF Share Basket and Averaging Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms in respect of an ETF Share in such ETF Share Basket, or if such date is not a Scheduled Trading Day for such ETF Share, the next following Scheduled Trading Day for such ETF Share.

**"Initial Setting Date"** means:

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Reference Dates – Common/Individual" or "ETF Share

Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or

- (b) in respect of an ETF Share Basket where "ETF Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an ETF Share in such ETF Share Basket, or if such date is not a Scheduled Trading Day for such ETF Share, the next following Scheduled Trading Day for such ETF Share.

**"Initial Stock Loan Rate"** means the stock loan rate so specified in the relevant Final Terms.

**"Interim Valuation Date"** means:

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Reference Dates – Common/Individual" or "ETF Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of an ETF Share Basket where "ETF Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an ETF Share in such ETF Share Basket, or if such date is not a Scheduled Trading Day for such ETF Share, the next following Scheduled Trading Day for such ETF Share.

**"Jurisdictional Event"** means, in respect of any ETF Shares (a) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, or (b) the Issuer (acting in good faith and in a commercially reasonable manner) determines that it and/or any affiliate is not able to buy and/or sell such ETF Shares with or for a currency acceptable to the Issuer on the relevant Exchange or the relevant Exchange fails to calculate and publish the equivalent, in a currency acceptable to the Issuer, of the share price of such ETF Shares on a day on which the Issuer determines that such calculation and publication was otherwise expected to be made and in the case of (a) and (b) which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Local Jurisdiction"** means, in respect of an ETF Share, the jurisdiction in which the Exchange for such ETF Share is located.

**"Loss of Stock Borrow"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) ETF Shares with respect to the Securities in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**"Market Disruption Event"** means, in respect of an ETF Share, the occurrence or existence on any Scheduled Trading Day of a Trading Disruption or an Exchange

Disruption which in either case the Issuer determines is material, at any time during the one hour period that ends at the relevant Valuation Time or an Early Closure.

**"Maximum Days of Disruption"** means:

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Individual/Individual", "ETF Share Basket and Averaging Reference Dates – Common/Individual", "ETF Share Basket and Reference Dates – Individual/Individual" or "ETF Share Basket and Reference Dates – Common/Individual" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days in respect of the single ETF Share or an ETF Share in such ETF Share Basket, or such other number of Scheduled Trading Days in respect of the single ETF Share or an ETF Share in such ETF Share Basket as specified in the relevant Final Terms; or
- (b) in respect of an ETF Share Basket where "ETF Share Basket and Averaging Reference Dates – Common/Common" or "ETF Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, eight Scheduled Trading Days or such other number of Scheduled Trading Days as specified in the relevant Final Terms.

**"Maximum Stock Loan Rate"** means the stock loan rate so specified in the relevant Final Terms.

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer.

**"Merger Event"** means, in respect of any ETF Shares, any (a) reclassification or change of the ETF Shares that results in a transfer of or an irrevocable commitment to transfer all of such ETF Shares outstanding, to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Fund is the continuing entity and which does not result in reclassification or change of all of such ETF Shares outstanding), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETF Shares of the relevant Fund that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than such ETF Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Fund with or into another entity in which such Fund is the continuing entity and which does not result in a reclassification or change of all such ETF Shares outstanding but results in the outstanding ETF Shares (other than ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETF Shares immediately following such event.

**"Nationalisation"** means that all the ETF Shares of a Fund or all the assets or substantially all the assets of such Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Potential Adjustment Event"** means with respect to any ETF Share, any of the following:

- (a) a subdivision, consolidation or reclassification of relevant ETF Shares (unless resulting in a Merger Event), or a free distribution or dividend of any ETF Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant ETF Shares of (i) such ETF Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Fund equally or proportionately with such payments to holders of such ETF Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Fund as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer;
- (c) the declaration or payment of an Extraordinary Dividend;
- (d) a repurchase by any Fund of its ETF Shares the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of ETF Shares initiated by an investor which is consistent with the relevant Fund Documents;
- (e) any other event that may have a diluting or concentrating effect on the theoretical value of the relevant ETF Shares; or
- (f) the making of any amendment or supplement to the terms of the Deposit Agreement.

**"Reference Currency"** means, in respect of an ETF Share, the currency in which such ETF Share is denominated.

**"Reference Date"** means each Initial Setting Date, Valuation Date or Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Reference Index"** means, subject to Asset Term 2, the index tracked by the Fund relating to the ETF Shares as of the Trade Date, as specified in the relevant Final Terms.

**"Regulatory Action"** means, in respect of an ETF Share and the related Fund, (a) the cancellation, suspension, revocation of the registration or approval of such Fund or such ETF Share by any governmental, legal or regulatory entity with authority over such Fund or such ETF Share, (b) any change in the legal, tax, accounting or regulatory treatment of such ETF Share, such Fund or its Fund Adviser which is reasonably likely, in the determination of the Issuer, to have an adverse impact on the value of such ETF Share or on any investor in such ETF Share, or (c) such Fund or any of its Fund Administrator or its Fund Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activity relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser.

**"Related Exchange(s)"** means, in respect of an ETF Share, each exchange or quotation system so specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETF Share has temporarily relocated (provided that the Issuer has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETF Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the

Related Exchange in the relevant Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Issuer) on the overall market for futures or options contracts relating to such ETF Share.

"**Relevant Currency**" means any of the Settlement Currency, the Reference Currency, USD, EUR and GBP.

"**Scheduled Averaging Date**" means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

"**Scheduled Averaging Reference Date**" means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"**Scheduled Initial Averaging Date**" means an original date that, but for such day being a Disrupted Day, would have been an Initial Averaging Date.

"**Scheduled Initial Setting Date**" means an original date that, but for such day being a Disrupted Day, would have been an Initial Setting Date.

"**Scheduled Interim Valuation Date**" means an original date that, but for such day being a Disrupted Day, would have been an Interim Valuation Date.

"**Scheduled Reference Date**" means each Scheduled Initial Setting Date, Scheduled Valuation Date or Scheduled Interim Valuation Date.

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Scheduled Valuation Date**" means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

"**Share Price**" means on any relevant day, subject as provided in Asset Term 2, the price of the relevant ETF Share quoted on the relevant Exchange as determined by the Issuer as at the Valuation Time on such day.

"**Strategy Breach**" means, in respect of an ETF Share and the related Fund, any breach or violation of any strategy or investment guidelines stated in the Fund Documents of such Fund in respect of such ETF Share which is reasonably likely, in the determination of the Issuer, to affect (a) the value of such ETF Share, or (b) the rights or remedies of any holder of any such ETF Share as compared with those rights or remedies prevailing on the Trade Date.

"**Tender Offer**" means, in respect of a Fund, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Fund, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems in its determination relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Issuer).

"**Trade Date**" means the date so specified in the relevant Final Terms.

**"Trading Disruption"** means, in respect of an ETF Share, any suspension of or limitation imposed on trading (a) by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, or (b) in futures or options contracts relating to the ETF Share.

**"Valid Date"** means, in respect of an ETF Share, a Scheduled Trading Day for such ETF Share that is not a Disrupted Day for such ETF Share and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Valuation Date"** means (other than in the case of Warrants):

- (a) in respect of (i) a single ETF Share, or (ii) an ETF Share Basket where "ETF Share Basket and Reference Dates – Common/Individual" or "ETF Share Basket and Reference Dates – Common/Common" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day; or
- (b) in respect of an ETF Share Basket where "ETF Share Basket and Reference Dates – Individual/Individual" is specified to be applicable in the relevant Final Terms, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms in respect of an ETF Share in such ETF Share Basket, or if such date is not a Scheduled Trading Day for such ETF Share, the next following Scheduled Trading Day for such ETF Share.

**"Valuation Time"** means, in respect of a ETF Share, the time so specified in the relevant Final Terms or, if no such time is specified the Scheduled Closing Time on the relevant Exchange in relation to that ETF Share. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 2. **Disrupted Days and Other Adjustments**

### 2.1 **Consequences of Disrupted Days**

#### (a) **Single ETF Share and Reference Dates**

Where the Securities relate to a single ETF Share, if the Issuer determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine its good faith estimate of the value for the ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Reference Date.

#### (b) **Single ETF Share and Averaging Reference Dates**

Where the Securities relate to a single ETF Share, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Reference

Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Reference Date is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (B) the Issuer shall determine its good faith estimate of the value for the ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date;
- (ii) **"Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day. In that case:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine its good faith estimate of the value for the ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine its good faith estimate of the value for the ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer

pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **ETF Share Basket and Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to an ETF Share Basket, if the relevant Final Terms specify that "ETF Share Basket and Reference Dates – Individual/Individual" or "ETF Share Basket and Reference Dates – Common/Individual" applies to the ETF Share Basket and any Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any ETF Share in the ETF Share Basket, then such Reference Date for such ETF Share shall be the first succeeding Scheduled Trading Day for such ETF Share that the Issuer determines is not a Disrupted Day relating to that ETF Share, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such ETF Share equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that ETF Share. In that case:

- (i) the last consecutive Scheduled Trading Day for such ETF Share shall be deemed to be the Reference Date for such ETF Share, notwithstanding the fact that such day is a Disrupted Day for such ETF Share; and
- (ii) the Issuer shall determine its good faith estimate of the value for such ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such ETF Share, and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Share Price in respect of the Reference Date for such ETF Share.

(d) **ETF Share Basket and Reference Dates – Common/Common**

Where the Securities relate to an ETF Share Basket, if the relevant Final Terms specify that "ETF Share Basket and Reference Dates – Common/Common" applies to the ETF Share Basket and any Reference Date, then if the Issuer determines that the Scheduled Reference Date relating to such Reference Date is a Disrupted Day for any ETF Share in the ETF Share Basket, then such Reference Date for each ETF Share in the ETF Share Basket shall be the first succeeding Scheduled Trading Day following such Scheduled Reference Date which the Issuer determines is not a Disrupted Day for any ETF Share in the ETF Share Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day relating to one or more ETF Shares in the ETF Share Basket. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for each ETF Share in the ETF Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more ETF Shares in the ETF Share Basket (each such ETF Share being an "**Affected Basket ETF Share**" for such Reference Date);
- (ii) for each ETF Share in the ETF Share Basket other than an Affected Basket ETF Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
- (iii) for each Affected Basket ETF Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket ETF Share as of the

Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (iii) shall be deemed to be the Share Price in respect of the Reference Date for such Affected Basket ETF Share.

(e) **ETF Share Basket and Averaging Reference Dates – Individual/Individual and Common/Individual**

Where the Securities relate to an ETF Share Basket, if the relevant Final Terms specify that "ETF Share Basket and Averaging Reference Dates – Individual/Individual" or "ETF Share Basket and Averaging Reference Dates – Common/Individual" applies to the ETF Share Basket and any Averaging Reference Date and if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect of any ETF Share in the ETF Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each ETF Share in the ETF Share Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
  - (A) for each ETF Share in the ETF Share Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is not a Disrupted Day, the sole Averaging Reference Date for such ETF Share shall be the final Scheduled Averaging Reference Date; and
  - (B) for each ETF Share in the ETF Share Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is a Disrupted Day, then the sole Averaging Reference Date for such ETF Share shall be the first succeeding Scheduled Trading Day for such ETF Share following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to such ETF Share, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such ETF Share equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that ETF Share. In that case:
    - (I) that last consecutive Scheduled Trading Day for such ETF Share shall be deemed to be the sole Averaging Reference Date for such ETF Share, notwithstanding the fact that such day is a Disrupted Day for such ETF Share; and
    - (II) the Issuer shall determine its good faith estimate of the value for such ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such ETF Share, and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date for such ETF Share;
- (ii) **"Postponement"**, then for each ETF Share in the ETF Share Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such ETF Share shall be the first succeeding Scheduled Trading Day for such ETF Share following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to that ETF Share (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date for such

ETF Share), unless the Issuer determines that each of the consecutive Scheduled Trading Days for such ETF Share equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to such ETF Share. In that case:

- (A) the last consecutive Scheduled Trading Day for such ETF Share shall be deemed to be the Averaging Reference Date for such ETF Share (irrespective of whether that last consecutive Scheduled Trading Day for such ETF Share is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such ETF Share); and
  - (B) the Issuer shall determine its good faith estimate of the value for such ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such ETF Share, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such ETF Share; or
- (iii) **"Modified Postponement"**, then for each ETF Share in the ETF Share Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such ETF Share shall be the first succeeding Valid Date relating to that ETF Share. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day for such ETF Share equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
- (A) that last consecutive Scheduled Trading Day for such ETF Share shall be deemed to be the Averaging Reference Date for such ETF Share (irrespective of whether that last consecutive Scheduled Trading Day for such ETF Share is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such ETF Share); and
  - (B) the Issuer shall determine its good faith estimate of the value for such ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day for such ETF Share, and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such ETF Share.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any ETF Share in the ETF Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(f) **ETF Share Basket and Averaging Reference Dates – Common/Common**

Where the Securities relate to an ETF Share Basket, if the relevant Final Terms specify that "ETF Share Basket and Averaging Reference Dates – Common/Common" applies to the ETF Share Basket and an Averaging Reference Date, then if the Issuer determines that the Scheduled Averaging Reference Date relating to such Averaging Reference Date is a Disrupted Day in respect of any ETF Share in the ETF Share Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each ETF Share in the ETF Share Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then the sole Averaging Reference Date for each ETF Share in the ETF Share Basket shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day for any ETF Share in the ETF Share Basket, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to one or more ETF Shares in the ETF Share Basket. In that case:
- (A) that last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date for each ETF Share in the Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more ETF Shares in the ETF Share Basket (each such ETF Share being an **"Affected Basket ETF Share"** for such sole Averaging Reference Date);
  - (B) for each ETF Share in the ETF Share Basket other than an Affected Basket ETF Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
  - (C) for each Affected Basket ETF Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the sole Averaging Reference Date for such Affected Basket ETF Share;
- (ii) **"Postponement"**, then the Averaging Reference Date for each ETF Share in the ETF Share Basket shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date which the Issuer determines is not a Disrupted Day for any ETF Share in the ETF Share Basket (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to one or more ETF Shares in the ETF Share Basket. In that case:
- (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date for each ETF Share in the ETF Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more ETF Shares in the ETF Share Basket (each such ETF Share being an **"Affected Basket ETF Share"** for such Averaging Reference Date);
  - (B) for each ETF Share in the ETF Share Basket other than an Affected Basket ETF Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and

- (C) for each Affected Basket ETF Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Affected Basket ETF Share; or
- (iii) **"Modified Postponement"**, then the Averaging Reference Date for each ETF Share in the ETF Share Basket shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
  - (A) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date for each ETF Share in the ETF Share Basket, notwithstanding the fact that such day is a Disrupted Day for one or more ETF Shares in the ETF Share Basket (each such ETF Share being an **"Affected Basket ETF Share"** for such Averaging Reference Date);
  - (B) for each ETF Share in the ETF Share Basket other than an Affected Basket ETF Share, the relevant Share Price shall be determined by reference to the relevant screen pages by the Issuer at the applicable Valuation Time on such last consecutive Scheduled Trading Day; and
  - (C) for each Affected Basket ETF Share, the Issuer shall determine its good faith estimate of the value for such Affected Basket ETF Share as of the Valuation Time on that last consecutive Scheduled Trading Day, and such determination by the Issuer pursuant to this paragraph (C) shall be deemed to be the Share Price in respect of the relevant Averaging Reference Date for such Affected Basket ETF Share.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day in for any ETF Share in the ETF Share Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

## 2.2 Consequences of Potential Adjustment Events

- (a) If the Issuer determines that a Potential Adjustment Event has occurred in respect of an ETF Share, the Issuer will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant ETF Shares and, if so, the Issuer will (i) make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of the Securities as the Issuer determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETF Share), and (ii) determine the effective date(s) of the adjustment(s). The Issuer may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant ETF Shares traded on such options exchange.

- (b) Upon making any such adjustment, the Issuer shall give notice as soon as practicable to the Securityholders stating the adjustment to any amount payable under the Securities and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Potential Adjustment Event or any action taken.

### 2.3 Consequences of Extraordinary Events

If the Issuer determines that an Extraordinary Event has occurred in respect of an ETF Share then, on or after the relevant Merger Date, Tender Offer Date or Announcement Date, as the case may be, the Issuer may in its discretion (acting in good faith and in a commercially reasonable manner) either:

- (a)
  - (i) make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of such Extraordinary Event (which may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Shares or to the Securities), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Extraordinary Event by an options exchange to options on the relevant ETF Shares traded on such options exchange; and
  - (ii) determine the effective date of that adjustment; or
- (b) if "Share Substitution" is specified as being applicable in the relevant Final Terms, then the Issuer may, acting in good faith and in a commercially reasonable manner, select a new underlying ETF share (in respect of the relevant Extraordinary Event, the "**Replacement ETF Share**"), which Replacement ETF Share will be deemed to be an ETF Share in place of the ETF Share which has been replaced by the Issuer following such Extraordinary Event (and the Fund relating to the Replacement ETF Share will replace the Fund relating to the replaced ETF Share), and the Issuer may make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Issuer determines appropriate to account for the economic effect on the Securities of the Extraordinary Event, and/or the replacement of the replaced ETF Share by the Replacement ETF Share (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Shares or to the Securities). Any Replacement ETF Share will, to the extent practicable, be selected from the same economic sector, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced ETF Share; or
- (c) if the Issuer determines that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day falling on or after the relevant Merger Date, Tender Offer Date or Announcement Date, as the case may be, as the Issuer shall select in its sole and absolute discretion.

### 2.4 Consequences of Additional Disruption Events

If the Issuer determines that an Additional Disruption Event (if specified as being applicable in the relevant Final Terms) has occurred, then the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETF Shares or to the Securities), and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

## 2.5 Reference Index Adjustments

In respect of an ETF Share, if a Reference Index is specified in the relevant Final Terms, the following provisions shall apply:

- (a) If the Reference Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer, or (ii) replaced by a successor index using, in the determination of the Issuer, the same or substantially similar formula for, and method of, calculation as used in the calculation of that Reference Index, and, in each case, the relevant successor index is tracked by the Fund relating to such ETF Share, then in each case that successor index (the "**Successor Index**") shall be deemed to be the Reference Index.
- (b) If the Issuer determines in respect of the Reference index that, on or prior any Reference Date, Averaging Reference Date, Observation Date or other relevant date, (i) the investment objective of the ETF Shares is changed such that it no longer tracks the performance of the Reference Index or no longer uses the same tracking methodology in place as of the Trade Date, or (ii) a relevant Index Sponsor announces that it will make a material change in then formula for or the method of calculating that Reference Index or in any other way materially modifies that Reference Index (other than a modification prescribed in that formula or method to maintain that Reference Index in the event of changes in constituent stock and capitalisation and other routine events), and the composition of the assets underlying the ETF Shares is not modified or adjusted by the Fund relating to such ETF Shares in line with such change or modification, and/or the methodology used by the ETF Shares to track the performance of the Reference Index is not adjusted in line with such change or modification, or (iii) a relevant Index Sponsor permanently cancels the Reference Index and no Successor Index exists, then on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

## 3. Adjustment in respect of Jurisdictional Event

If the relevant Final Terms specify in relation to an ETF Share that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such

Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

**4. Correction of prices**

In the event that any relevant price of an ETF Share published on the Exchange on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Exchange by the second Currency Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

## FX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "FX-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, and subject to adjustment in accordance with the Following FX Business Day Convention, unless another FX Business Day Convention is specified in the relevant Final Terms to be applicable to such date.

**"Base Currency"** means, unless the context otherwise requires, the currency specified as the Base Currency in the relevant Final Terms.

**"Benchmark Obligation(s)"** means the obligation(s) so specified in the relevant Final Terms.

**"Benchmark Obligation Default"** means, with respect to any Benchmark Obligation, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (a) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of such Benchmark Obligation, (b) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of such Benchmark Obligation, or (c) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of such Benchmark Obligation without the consent of all holders of such Benchmark Obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of the relevant entity to issue or enter into such Benchmark Obligation.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of any relevant currency relating to such Securities, or (ii) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

**"Currency Pair"** means, in respect of the Securities, the Reference Currency and the Base Currency.

**"Currency-Reference Dealers"** means, in respect of an FX Rate and any relevant date, that the Issuer will request each of the Reference Dealers to provide a quotation of its rate at which it will buy one unit of the Base Currency in units of the Reference Currency at the applicable Valuation Time on such date. If, for any such rate, at least two quotations are provided, the relevant rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided for any such rate, the relevant

rate will be the arithmetic mean of the relevant rates quoted by major banks in the relevant market, selected by the Issuer at or around the applicable Valuation Time on such relevant date.

**"Disruption Fallback"** means, in respect of an FX Rate, (a) Issuer Determination, (b) Currency-Reference Dealers, (c) Fallback Reference Price, and/or (d) Postponement. The applicable Disruption Fallback in respect of an FX Rate shall be as specified in the relevant Final Terms, and if two or more Disruption Fallbacks are specified, unless otherwise provided in the relevant Final Terms, such Disruption Fallbacks shall apply in the order specified in the relevant Final Terms, such that if the Issuer determines that such FX Rate cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

**"Dual Exchange Rate"** means, in respect of an FX Rate, where the currency exchange rate for such FX Rate is split into dual or multiple currency exchange rates.

**"Event Currency"** means the currency so specified in the relevant Final Terms or, if such a currency is not specified, the Reference Currency.

**"Event Currency Jurisdiction"** means, in respect of an Event Currency, the country for which the Event Currency is the lawful currency.

**"Fallback Reference Price"** means, in respect of an FX Rate, that such FX Rate for the relevant date will be the currency exchange rate determined by reference to the alternative price source(s) specified in the relevant Final Terms for such FX Rate, applied in the order specified in the relevant Final Terms.

**"FX Business Day"** means, in respect of an FX Rate, a day on which commercial banks are open for business (including dealings in foreign exchange in accordance with the practice of the foreign exchange market) in the principal financial centre of the Reference Currency and the Base Currency, and to the extent that the Reference Currency or the Base Currency is the euro, a TARGET Business Day.

**"FX Business Day Convention"** means the convention for adjusting any relevant date if it would otherwise fall on a day that is not an FX Business Day, as the case may be, so that:

- (a) if **"Following FX Business Day Convention"** is specified in the relevant Final Terms, that date will be the first following day that is an FX Business Day;
- (b) if **"Modified Following FX Business Day Convention"** is specified in the relevant Final Terms, that date will be the first following day that is an FX Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is an FX Business Day;
- (c) if **"Nearest FX Business Day Convention"** is specified in the relevant Final Terms, that date will be (i) the first preceding day that is an FX Business Day if such date falls on a day other than a Sunday or Monday and (ii) the first following day that is an FX Business Day if such date falls on a Sunday or Monday;
- (d) if **"Preceding FX Business Day Convention"** is specified in the relevant Final Terms, that date will be the first preceding day that is an FX Business Day; or
- (e) if **"No Adjustment"** is specified in the relevant Final Terms, that date will nonetheless be such day. If an FX Rate is to be determined on such date, such FX Rate shall be determined in accordance with Issuer Determination.

If the relevant Final Terms does not specify an applicable FX Business Day Convention in respect of any relevant date, then it shall be deemed that Following FX Business Day Convention shall apply.

**"FX Calculation"** means any calculation or determination of any conversion, exchange, payment, purchase or sale of one currency into or for another currency by reference to an FX Rate.

**"FX Page"** means the page of the relevant screen provider or other price source as specified in the relevant Final Terms or any successor page or price source on which the Issuer determines that the relevant FX Rate is displayed or otherwise derived.

**"FX Rate"** means, in relation to the making of any FX Calculation for any relevant date, subject as provided in Asset Term 2, an amount equal to (a) the spot rate of exchange, (b) the bid rate of exchange, (c) the mid rate of exchange, (d) the offer rate of exchange or (e) the rate of exchange (as specified in the relevant Final Terms, provided that if no such rate is specified in the relevant Final Terms, the spot rate of exchange shall apply), of one currency for another currency, expressed as a number of units of the Reference Currency for a unit of the Base Currency (and, if the relevant Final Terms specify a Number of FX Settlement Days, for settlement in the Number of FX Settlement Days as reported and/or calculated and/or published by the FX Rate Sponsor), which appears on the FX Page at the Specified Time on such date.

**"FX Rate Sponsor"** means, in respect of an FX Rate, the entity so specified in the relevant Final Terms (or its successor or replacement, as determined by the Calculation Agent).

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"General Inconvertibility"** means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels.

**"General Non-Transferability"** means the occurrence of any event that generally makes it impossible to deliver (a) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (b) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction.

**"Governmental Authority"** means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Event Currency Jurisdiction.

**"Governmental Authority Default"** means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (a) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of any such security, indebtedness for borrowed money or guarantee, (b) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee, or (c) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such obligation. The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its

affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any relevant currency and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency rate risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Illiquidity"** means, in respect of an FX Rate, it becomes impossible to obtain a firm quote of such FX Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the relevant Rate Calculation Date (or, if different, the day on which rates for that Rate Calculation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the **"Illiquidity Valuation Date"**) as is specified for such purpose in the relevant Final Terms. If an Illiquidity Valuation Date is specified in the relevant Final Terms and an Illiquidity occurs on such date, then the Illiquidity Valuation Date will be deemed to be the relevant Rate Calculation Date for that Security.

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency rate risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Initial Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, and subject to adjustment in accordance with the Following FX Business Day Convention, unless another FX Business Day Convention is specified in the relevant Final Terms to be applicable to such date.

**"Initial Setting Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, and subject to adjustment in accordance with the Following FX Business Day Convention, unless another FX Business Day Convention is specified in the relevant Final Terms to be applicable to such date.

**"Interim Valuation Date"** means, subject as provided in Asset Term 2, any date so specified in the relevant Final Terms, and subject to adjustment in accordance with the Following FX Business Day Convention, unless another FX Business Day Convention is specified in the relevant Final Terms to be applicable to such date.

**"Issuer Determination"** means, in respect of an FX Rate and any relevant date, that such FX Rate for such date (or a method for determining such FX Rate) will be determined by the Issuer, taking into consideration all available information that in good faith it deems relevant.

**"Jurisdictional Event"** means, in respect of any relevant currency, any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk,

legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Market Disruption Event"** means, in respect of an FX Rate, the occurrence (with respect to the Issuer, any hedging counterparty of the Issuer (or any affiliate thereof)) of any of (a) Benchmark Obligation Default, (b) Dual Exchange Rate, (c) General Inconvertibility, (d) General Non-Transferability, (e) Governmental Authority Default, (f) Illiquidity, (g) Material Change In Circumstances, (h) Nationalisation, (i) Price Materiality, (j) Price Source Disruption, (k) Specific Inconvertibility, or (l) Specific Non-Transferability, in each case, if specified as being applicable in the relevant Final Terms.

**"Material Change in Circumstance"** means the occurrence of any event (other than those events specified as Market Disruption Events in the relevant Final Terms) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible (a) for the Issuer to fulfil its obligations under the Securities, and (b) generally to fulfil obligations similar to the Issuer's obligations under the Securities.

**"Maximum Days of Disruption"** means five FX Business Days or such other number of FX Business Days as specified in the relevant Final Terms.

**"Minimum Amount"** means the amount so specified in the relevant Final Terms or, if such an amount is not specified, (a) for purposes of the definition of Illiquidity, the Reference Currency Notional Amount, and (b) for purposes of the definition of Specific Inconvertibility, the Event Currency equivalent of U.S.\$ 1.00.

**"Nationalisation"** means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its affiliates which are party to any Hedging Arrangements) of all or substantially all of its assets in the Event Currency Jurisdiction.

**"Non-Event Currency"** means the currency for any FX Rate that is not the Event Currency, or such other currency as is specified in the relevant Final Terms.

**"Number of FX Settlement Days"** means, in respect of an FX Rate, the number of business days so specified in the relevant Final Terms.

**"Postponement"** means, in respect of a relevant date (the **"Relevant Date"**), if a Market Disruption Event has occurred or is occurring on the original date on which the Relevant Date is scheduled to fall (or, if the original date on which the Relevant Date is scheduled to fall is adjusted on account of such original date not being an FX Business Day, on such adjusted date), then:

- (a) where the Securities relate to a single FX Rate, the Relevant Date shall be the first succeeding FX Business Day on which no Market Disruption Event has occurred or is occurring, unless the Issuer determines that a Market Disruption Event has occurred or is occurring on each of the consecutive FX Business Days equal in number to the Maximum Days of Disruption immediately following the original date (or adjusted date) in respect of the Relevant Date. In that case (i) that last consecutive FX Business Day shall be deemed to be the Relevant Date (notwithstanding the fact that a Market Disruption Event has occurred or is occurring on such date), and (ii) the next applicable Disruption Fallback shall apply; or

- (b) where the Securities relate to a basket of FX Rates, the Relevant Date for each FX Rate not affected by the occurrence of a Market Disruption Event shall be the original date on which the Relevant Date is scheduled to fall (or, if the original date on which the Relevant Date is scheduled to fall is adjusted on account of such original date not being an FX Business Day, on such adjusted date), and the Relevant Date for each FX Rate affected (each, an "**Affected FX Rate**") by the occurrence of a Market Disruption Event shall be the first succeeding FX Business Day on which no Market Disruption Event has occurred or is occurring in respect of such Affected FX Rate, unless the Issuer determines that a Market Disruption Event has occurred or is occurring on each of the consecutive FX Business Days equal in number to the Maximum Days of Disruption immediately following the original date (or adjusted date) in respect of the Relevant Date for such Affected FX Rate. In that case, for each Affected FX Rate (i) that last consecutive FX Business Day shall be deemed to be the Relevant Date for such Affected FX Rate (notwithstanding the fact that a Market Disruption Event has occurred or is occurring on such date), and (ii) the next applicable Disruption Fallback shall apply.

**"Price Materiality"** means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.

**"Price Materiality Percentage"** means the percentage so specified in the relevant Final Terms.

**"Price Source Disruption"** means, in respect of an FX Rate and a relevant date, it becomes impossible to obtain such FX Rate on such date (or, if different, the day on which rates for such relevant date would, in the ordinary course, be published or announced by the relevant price source).

**"Primary Rate"** means, in respect of a Security and for the purposes of the definition of Price Materiality, the rate determined using the FX Rate specified for such purpose in the relevant Final Terms.

**"Rate Calculation Date"** means, in respect of an FX Rate, the Initial Setting Date, Initial Averaging Date, Averaging Date, Valuation Date or Interim Valuation Date in respect of such FX Rate, in each case, subject to adjustment in accordance with these Asset Terms.

**"Reference Currency"** means, unless the context otherwise requires, the currency specified as the Reference Currency in the relevant Final Terms or, if no such currency is specified, the Specified Currency.

**"Reference Currency Notional Amount"** means the quantity of Reference Currency so specified in these Asset Terms.

**"Reference Dealers"** means, in respect of an FX Rate, four leading dealers in the relevant foreign exchange market, as determined by the Issuer (or any other number of dealers specified in the relevant Final Terms).

**"Repudiation"** means that, in respect of a Security, (a) for the purposes of the definition of Benchmark Obligation Default, the issuer of or any party to, as the case may be, the relevant Benchmark Obligation disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Benchmark Obligation in any material respect, and (b) for purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money or guarantee of such Governmental Authority in any material respect.

**"Secondary Rate"** means, in respect of a Security and for the purpose of the definition of Price Materiality, the rate determined using the FX Rate specified for such purpose in the relevant Final Terms.

**"Specific Inconvertibility"** means the occurrence of any event that makes it impossible for the Issuer to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Securities and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

**"Specific Non-Transferability"** means the occurrence of any event that makes it impossible for the Issuer to deliver (a) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (b) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the Securities and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation).

**"Specified Currency"** means the currency so specified in the relevant Final Terms.

**"Specified Time"** means the time specified as such in the relevant Final Terms or, if no such time is specified, the time as determined in good faith and in a commercially reasonable manner by the Issuer.

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Valuation Date"** means (other than in the case of Warrants), subject as provided in Asset Term 2, and the date so specified (or, if applicable, the Illiquidity Valuation Date) in the relevant Final Terms, subject to adjustment in accordance with the Following FX Business Day Convention, unless another FX Business Day Convention is specified in the relevant Final Terms to be applicable to such date.

**"Valuation Time"** means, in respect of an FX Rate, the time so specified as provided in the relevant Final Terms.

## 2. **Adjustments and Determinations**

### 2.1 **Consequences of Market Disruption Events**

If the Issuer determines that a Market Disruption Event has occurred or is continuing on any Rate Calculation Date for an FX Rate, such FX Rate in respect of such Rate Calculation Date shall be determined in accordance with the terms of the first applicable Disruption Fallback. The relevant Final Terms may provide that one or more Disruption Fallbacks may apply to any Rate Calculation Date for an FX Rate and that such applicable Disruption Fallbacks may apply concurrently or sequentially.

### 2.2 **Consequences of Additional Disruption Events**

If the Issuer determines that an Additional Disruption Event (if specified as being applicable in the relevant Final Terms) has occurred, then the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15

days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

**3. Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to a currency that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

**4. Corrections to Published and Displayed Rates**

- (a) In any case where an FX Rate is based on information obtained from the Reuters Monitor Money Rates Service, or any other financial information service, such FX Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Issuer determines in its discretion, acting in good faith and in a commercially reasonable manner, that it is not practicable to take into account such correction.
- (b) Notwithstanding paragraph (a) above, in any case where an FX Rate is based on information published or announced by any governmental authority in a relevant country, such FX rate will be subject to the corrections, if any, to that information subsequently published or announced by that source within five days of the relevant Rate Calculation Date, unless the Issuer determines in its discretion, acting in good faith and in a commercially reasonable manner, that it is not practicable to take into account such correction.

## FX INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "FX Index-linked".

### 1. Definitions

**"Additional Business Centre"** means the city or cities so specified in the relevant Final Terms.

**"Additional Disruption Event"** means a Change in Law, a Change of Sponsor, a Hedging Disruption, an Increased Cost of Hedging, an Index Calculation Agent Event, an Index Disruption Event and/or an Insolvency Disruption Event as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Averaging Reference Date"** means each Initial Averaging Date or Averaging Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Base Currency"** means, unless the context otherwise requires, the currency specified as the Base Currency in the relevant Final Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to trade, enter into, terminate, close out or hedge any Component, or (ii) it will incur a materially increased cost in performing its obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

**"Change of Sponsor"** means the occurrence of any change in the Sponsor for an FX Index to an entity which is not an affiliate of the Issuer.

**"Component"** means, in respect of an FX Index, any currency, FX Rate or Currency Pair comprised in such FX Index.

**"Currency Pair"** means, in respect of the Securities, the Reference Currency and the Base Currency.

**"Disrupted Day"** means, in respect of an FX Index, any Scheduled Trading Day on which a Market Disruption Event occurs or is continuing (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

**"FX Calculation"** means any calculation or determination of any conversion, exchange, payment, purchase or sale of one currency into or for another currency by reference to an FX Rate.

**"FX Index"** means, subject as provided in Asset Term 2, the FX Index (or, if more than one, each FX Index) specified in the relevant Final Terms.

**"FX Index Basket"** means a basket composed of FX Indices in the relative proportions or numbers of FX Indices.

**"FX Index Level"** means, on any relevant day, subject as provided in Asset Term 2, the level of the relevant FX Index determined by the Issuer as at the relevant Valuation Time on such day, as calculated and published by the relevant Sponsor.

**"FX Page"** means the page of the relevant screen provider as specified in the relevant Final Terms or any successor page on which the Issuer determines that the relevant FX Rate is displayed.

**"FX Rate"** means, in relation to the making of any FX Calculation for any relevant date, subject as provided in Asset Term 2, an amount equal to (a) the spot rate of exchange, (b) the bid rate of exchange, (c) the mid rate of exchange, (d) the offer rate of exchange or (e) the rate of exchange (as specified in the relevant Final Terms, provided that if no such rate is specified in the relevant Final Terms, the spot rate of exchange shall apply), of one currency for another currency, expressed as a number of units of the Reference Currency for a unit of the Base Currency (and, if the relevant Final Terms specify a Number of FX Settlement Days, for settlement in the Number of FX Settlement Days as reported and/or calculated and/or published by the FX Rate Sponsor), which appears on the FX Page at the Specified Time on such date.

**"FX Rate Sponsor"** means, in respect of an FX Rate, the entity so specified in the relevant Final Terms (or its successor or replacement, as determined by the Calculation Agent).

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the entry into and/or termination of any Component and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency rate risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency rate risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Index Adjustment Event"** means, in respect of an FX Index, an Index Cancellation, an Index Disruption or an Index Modification.

**"Index Calculation Agent Event"** means, and such event shall be deemed to have occurred if, the Issuer determines that the discharge by the Sponsor of its rights,

powers, authorities and duties in respect of the FX Index under the applicable rules of the FX Index (a) has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance by the Sponsor with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or any change in the interpretation thereof, or (b) has or will become impossible, commercially impracticable, or unduly onerous to it as a result of a change in circumstances that are materially adverse to the Sponsor.

**"Index Cancellation"** means, in respect of an FX Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, permanently cancels a relevant FX Index and no Successor Index exists as at the date of such cancellation.

**"Index Disruption"** means, in respect of an FX Index, the relevant Sponsor or Successor Sponsor, if applicable, on any Reference Date, Averaging Reference Date, Observation Date or other relevant date, fails to calculate and announce such FX Index, as determined by the Issuer, provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day.

**"Index Disruption Event"** means the occurrence of an event so specified in the applicable rules of the FX Index, and which is not (or cannot be) remedied within 10 calendar days of the day on which the Sponsor determines (or is notified) that such event has occurred.

**"Index Modification"** means, in respect of an FX Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, makes or announces that it will make a material change in the formula for, or the method of, calculating such FX Index, or in any other way materially modifies such FX Index (other than a modification prescribed in that formula or method to maintain such FX Index in the event of changes in the Components, capitalisation and/or other routine events).

**"Initial Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Initial Setting Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Insolvency Disruption Event"** means, and such event shall be deemed to have occurred if, the Issuer determines that any one or more of Hedging Disruption, Increased Cost of Hedging and Index Calculation Agent Event (where applicable) is in prospect or about to occur due to the fact that:

- (a) the Issuer or the Sponsor (the **"Relevant Party"**) has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or such Relevant Party consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights; or
- (b) a petition is presented for such Relevant Party's winding-up or liquidation by it or such regulator.

**"Interim Valuation Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Jurisdictional Event"** means, in respect of an FX Index, any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, which has or may have (as determined in the discretion of the Issuer, acting in good faith and in a commercially reasonable manner) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Market Disruption Event"** means, with respect to any FX Index, the failure by the Sponsor to calculate and publish the level of the FX Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication.

**"Maximum Days of Disruption"** means five Scheduled Trading Days in respect of the single FX Index or an FX Index in such FX Index Basket, or such other number of Scheduled Trading Days in respect of the single FX Index or an FX Index in such FX Index Basket as specified in the relevant Final Terms.

**"Number of FX Settlement Days"** means, in respect of an FX Rate, the number of business days so specified in the relevant Final Terms.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Reference Currency"** means, unless the context otherwise requires, the currency specified as the Reference Currency in the relevant Final Terms.

**"Reference Date"** means each Initial Setting Date, Valuation Date or Interim Valuation Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Scheduled Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

**"Scheduled Averaging Reference Date"** means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

**"Scheduled Initial Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Averaging Date.

**"Scheduled Initial Setting Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Setting Date.

**"Scheduled Interim Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been an Interim Valuation Date.

**"Scheduled Reference Date"** means each Scheduled Initial Setting Date, Scheduled Valuation Date or Scheduled Interim Valuation Date.

**"Scheduled Trading Day"** means:

- (a) each day on which the level of an FX Index is scheduled to be published by the Sponsor;
- (b) each day (other than a Saturday or Sunday) on which each FX Rate which is a Component of an FX Index is published or made available; and
- (c) each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London, New York City, and in each Additional Business Centre.

**"Scheduled Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

**"Specified Time"** means the time specified as such in the relevant Final Terms or, if no such time is specified, the time as determined in good faith and in a commercially reasonable manner by the Issuer.

**"Sponsor"** means, in relation to an FX Index, the corporation or other entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such FX Index, and (b) announces (directly or through an agent) the level of such FX Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Issuer who calculates and announces the FX Index or any agent or person acting on behalf of such person.

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Valid Date"** means, in respect of an FX Index, a Scheduled Trading Day for such FX Index that is not a Disrupted Day for such FX Index and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Valuation Date"** means (other than in the case of Warrants), subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Valuation Time"** means, in respect of an FX Index, the time so specified in the relevant Final Terms or, if no such time is specified, the time with reference to which the Sponsor calculates and publishes the closing level of such FX Index.

## 2. **Disrupted Days, Index Adjustment Events and Other Adjustments**

### 2.1 **Consequences of Disrupted Days**

#### (a) **Single FX Index and Reference Dates**

Where the Securities relate to a single FX Index, if the Issuer determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine the FX Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer

pursuant to this paragraph (ii) shall be deemed to be the FX Index Level in respect of the Reference Date.

(b) **Single FX Index and Averaging Reference Dates**

Where the Securities relate to a single FX Index, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Reference Date is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (B) the Issuer shall determine the FX Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the FX Index Level in respect of the sole Averaging Reference Date;
- (ii) **"Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day. In that case:
  - (A) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the FX Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine the FX Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the FX Index Level in respect of the relevant Averaging Reference Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of

Disruption immediately following the final Scheduled Averaging Reference Date, then:

- (A) the last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the FX Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
- (B) the Issuer shall determine the FX Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the FX Index Level in respect of the relevant Averaging Reference Date.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **FX Index Basket and Reference Dates**

Where the Securities relate to an FX Index Basket, if the Issuer determines that the Scheduled Reference Date relating to a Reference Date is a Disrupted Day for any FX Index in the FX Index Basket, then such Reference Date for such FX Index shall be the first succeeding Scheduled Trading Day for such FX Index that the Issuer determines is not a Disrupted Day relating to that FX Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such FX Index equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day relating to that FX Index. In that case:

- (i) the last consecutive Scheduled Trading Day for such FX Index shall be deemed to be the Reference Date for such FX Index, notwithstanding the fact that such day is a Disrupted Day for such FX Index; and
- (ii) the Issuer shall determine the FX Index Level for such FX Index on or in respect of that last consecutive Scheduled Trading Day for such FX Index in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the FX Index Level in respect of the Reference Date for such FX Index.

(d) **FX Index Basket and Averaging Reference Dates**

Where the Securities relate to an FX Index Basket, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Reference Date is a Disrupted Day in respect of any FX Index in the FX Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) "**Omission**", then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each FX Index in the FX Index Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
  - (A) for each FX Index in the FX Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is not a Disrupted Day, the sole Averaging Reference Date for such

FX Index shall be the final Scheduled Averaging Reference Date;  
and

- (B) for each FX Index in the FX Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is a Disrupted Day, then the sole Averaging Reference Date for such FX Index shall be the first succeeding Scheduled Trading Day for such FX Index following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to such FX Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such FX Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that FX Index. In that case:
  - (I) that last consecutive Scheduled Trading Day for such FX Index shall be deemed to be the sole Averaging Reference Date for such FX Index, notwithstanding the fact that such day is a Disrupted Day for such FX Index; and
  - (II) the Issuer shall determine the FX Index Level for such FX Index on or in respect of that last consecutive Scheduled Trading Day for such FX Index in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the FX Index Level in respect of the sole Averaging Reference Date for such FX Index;
- (ii) **"Postponement"**, then for each FX Index in the FX Index Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such FX Index shall be the first succeeding Scheduled Trading Day for such FX Index following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to that FX Index (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date for such FX Index), unless the Issuer determines that each of the consecutive Scheduled Trading Days for such FX Index equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to such FX Index. In that case:
  - (A) the last consecutive Scheduled Trading Day for such FX Index shall be deemed to be the Averaging Reference Date for such FX Index (irrespective of whether that last consecutive Scheduled Trading Day for such FX Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such FX Index); and
  - (B) the Issuer shall determine the FX Index Level for such FX Index on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the FX Index Level in respect of the relevant Averaging Reference Date for such FX Index; or
- (iii) **"Modified Postponement"**, then for each FX Index in the FX Index Basket for which the Issuer determines that such Scheduled Averaging

Reference Date is a Disrupted Day, the Averaging Reference Date for such FX Index shall be the first succeeding Valid Date relating to that FX Index. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day for such FX Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:

- (A) that last consecutive Scheduled Trading Day for such FX Index shall be deemed to be the Averaging Reference Date for such FX Index (irrespective of whether that last consecutive Scheduled Trading Day for such FX Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such FX Index); and
- (B) the Issuer shall determine the FX Index Level for such FX Index on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an FX Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the FX Index Level in respect of the relevant Averaging Reference Date for such FX Index.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any FX Index in the FX Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(e) **Formula for and method of calculating an FX Index level after the Maximum Days of Disruption**

In respect of an FX Index, the Issuer shall determine the FX Index Level on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Asset Term 2.1(a)(ii), 2.1(b)(i)(B), 2.1(b)(ii)(B), 2.1(b)(iii)(B), 2.1(c)(ii), 2.1(d)(i)(B)(II), 2.1(d)(ii)(B) or 2.1(d)(iii)(B), as the case may be, in accordance with the formula for and method of calculating such FX Index last in effect prior to the occurrence of the relevant first Disrupted Day, using such levels or values as the Issuer determines to be appropriate as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day of each Component comprised in such FX Index.

## 2.2 Index Adjustment Events

(a) **Successor Sponsor or Successor Index**

If an FX Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer (a "Successor Sponsor"), or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such FX Index, then in each case such index (the "Successor Index") will be deemed to be the FX Index.

The Issuer may make such adjustment(s) that it deems appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such Successor Index.

(b) **Occurrence of an Index Adjustment Event**

If the Issuer determines in respect of an FX Index that, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other

relevant date, an Index Adjustment Event has occurred in respect of such FX Index, then the Issuer shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant FX Index level using, in lieu of a published level for such FX Index, the level for such FX Index as at the Valuation Time on that Reference Date, Averaging Reference Date, Observation Date or other relevant date, as the case may be, as determined by the Issuer in accordance with the formula for, and method of, calculating such FX Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised such FX Index immediately prior to such Index Adjustment Event.

If the Issuer determines, in its discretion, that the above adjustments would not achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

### 2.3 Consequences of Additional Disruption Events

If the Issuer determines that an Additional Disruption Event (if specified as being applicable in the relevant Final Terms) has occurred, the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

### 3. Adjustment in respect of Jurisdictional Event

If the relevant Final Terms specify in relation to an FX Index that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

### 4. Correction of FX Index Levels

In the event that any relevant level of an FX Index published by the Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Sponsor by the second Currency Business Day prior to the next date on which any relevant

payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

5. **Responsibility**

Neither the Issuer nor the Agents shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of an FX Index, whether caused by negligence or otherwise.

## INFLATION INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Inflation Index-linked".

### 1. Definitions

**"Daily Inflation Rate"** means, in respect of an Inflation Index, the daily interpolated level of such Inflation Index for the relevant End Date, as determined by the Issuer in accordance with the following formula:

$$\text{MIL}(t) + [\text{MIL}(t1) - \text{MIL}(t)] \times (D-1)/N$$

Where:

**"D"** is the calendar day on which the relevant End Date occurs;

**"MIL(t)"** means the level of such Inflation Index for the Reference Month that is the number of months immediately preceding the relevant End Date as defined under Primary Lag;

**"MIL(t1)"** means the level of such Inflation Index for the Reference Month that is the number of months immediately preceding the relevant End Date as defined under Secondary Lag;

**"N"** is the total number of calendar days of the month in which the relevant End Date occurs (for example, 31 for March, 30 for April);

**"Primary Lag"** means, the number of months so specified in the relevant Final Terms, or if not so specified, three months; and

**"Secondary Lag"** means, the number of months so specified in the relevant Final Terms, or if not so specified, 12 months.

**"End Date"** means, in respect of an Inflation Index, each date so specified in the relevant Final Terms.

**"Fallback Bond"** means, in respect of an Inflation Index, a bond selected by the Issuer and issued by the government of the country to whose level of inflation such Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the same day as the End Date, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) is selected by the Issuer. If such Inflation Index relates to the level of inflation across the European Monetary Union, the Issuer will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Issuer will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Issuer from those bonds. If the Fallback Bond redeems the Issuer will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Inflation Index"** means, subject as provided in Asset Term 2, the Inflation Index (or, if more than one, each Inflation Index) specified in the relevant Final Terms.

**"Payment Date"** means any date on which a payment is due and payable pursuant to the terms of the Securities.

**"Reference Month"** means the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month is the period for which the Inflation Index level was reported.

**"Related Bond"** means, in respect of an Inflation Index, the bond so specified in the relevant Final Terms, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination, the Issuer shall use the Fallback Bond. If no bond is specified as the Related Bond and "Fallback Bond: Not Applicable" is specified in the relevant Final Terms, there will be no Related Bond. If a bond is selected as the Related Bond in the relevant Final Terms, and that bond redeems or matures before the End Date, unless "Fallback Bond: Not Applicable" is specified in the relevant Final Terms, the Issuer shall use the Fallback Bond for any Related Bond determination.

**"Sponsor"** means, in respect of an Inflation Index, the entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Inflation Index, and (b) publishes or announces (directly or through an agent) the level of such Inflation Index failing whom such person acceptable to the Issuer who calculates and announces the Inflation Index or any agent or person acting on behalf of such person.

## 2. Index Delay and Disruption Events of the Inflation Index

### (a) Delay of Publication

If the level of the Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Securities (a **"Relevant Level"**) is not published or announced by the day that is five Currency Business Days prior to the next following Payment Date under the Securities, the Issuer will determine a **"Substitute Index Level"** (in place of such Relevant Level) by using the following methodology:

- (i) if applicable, the Issuer shall take the same action to determine the Substitute Index Level for such Payment Date as that taken by the relevant calculation agent pursuant to the terms and conditions of the Related Bond;
- (ii) if (i) above does not result in a Substitute Index Level for such Payment Date for any reason, then the Issuer shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

Where:

**"Base Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

**"Latest Level"** means the latest level of the Inflation Index (excluding any "flash" estimates) published or announced by the Sponsor prior to the month in respect of which the Substitute Index Level is being calculated; and

**"Reference Level"** means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the

Sponsor prior to the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

If a Relevant Level is published or announced at any time after the day that is five Currency Business Days prior to the next following Payment Date under the Securities, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this paragraph (a) will be the definitive level for that Reference Month.

(b) **Cessation of Publication**

If a level for the Inflation Index has not been published or announced for two consecutive months or the Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Issuer will determine a "**Successor Index**" (in lieu of any previously applicable index) for the purposes of the Securities by using the following methodology:

- (i) if at any time, a successor index has been designated by the relevant calculation agent pursuant to the terms and conditions of the Related Bond, such successor index shall be designated a Successor Index for the purposes of all subsequent Payment Dates in relation to the Securities, notwithstanding that any other Successor Index may previously have been determined under paragraphs (ii), (iii) or (iv) below;
- (ii) if a Successor Index has not been determined under paragraph (i) above, and a notice has been given or an announcement has been made by the Sponsor, specifying that the Inflation Index will be superseded by a replacement index specified by the Sponsor, and the Issuer determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable index, such replacement index shall be the Inflation Index for purposes of the Securities from the date that such replacement index comes into effect;
- (iii) if a Successor Index has not been determined under paragraphs (i) or (ii) above, the Issuer shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If at least four responses are received, and of those responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Index". If fewer than three responses are received, the Issuer will proceed to paragraph (iv) hereof;
- (iv) if no Successor Index has been determined under paragraphs (i), (ii) and (iii) above by the fifth Currency Business Day prior to the next following Payment Date under the Securities, the Issuer will determine an appropriate alternative index for such date, acting in good faith and in a commercially reasonable manner, and such index will be deemed the "Successor Index"; or
- (v) if the Issuer determines, in its absolute discretion, that no alternative index is appropriate, having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion. The Issuer may also make such adjustments if it would be entitled to redeem or cancel the Securities under the General Conditions for reasons of Illegality.

(c) **Rebasing of the Inflation Index**

If the Issuer determines that the Inflation Index has been or will be rebased at any time, the Inflation Index so rebased (the "**Rebased Index**") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing, provided however that the Issuer shall make such adjustments as are made by the relevant calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Issuer shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Securities.

(d) **Material Modification**

If, on or prior to the day that is five Currency Business Days prior to the next following Payment Date under the Securities, the Sponsor announces that it will make a material change to the Inflation Index, then the Issuer, acting in good faith and in a commercially reasonable manner, shall make any such adjustments to the Securities necessary for the modified Inflation Index to continue as the Inflation Index.

(e) **Manifest Error in Publication**

If, within the earlier of (i) 30 days of publication, and (ii) the day that is five Currency Business Days prior to the next following Payment Date under the Securities, the Issuer determines that the Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

## INTEREST RATE INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Interest Rate Index-linked".

### 1. Definitions

**"Additional Disruption Event"** means a Change in Law, a Hedging Disruption and/or an Increased Cost of Hedging, as specified to be applicable in the relevant Final Terms.

**"Averaging Date"** means subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Averaging Reference Date"** means each Initial Averaging Date or Averaging Date, in each case, subject to adjustment in accordance with these Asset Terms.

**"Change in Law"** means that, on or after the Trade Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to trade, enter into, terminate, close out or hedge any Component Transaction relating to such Securities, or (ii) it will incur a materially increased cost in performing its obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

**"Component Transactions"** means, in respect of any Interest Rate Index, any underlying interest rate swap transactions.

**"Disrupted Day"** means, in respect of an Interest Rate Index, any Scheduled Trading Day on which (a) the Sponsor fails to publish the level of the Interest Rate Index (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), or (b) a Market Disruption Event occurs or is continuing.

**"General Conditions"** means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

**"Hedge Proceeds"** means the cash amount in euro and/or U.S. dollars and/or the Settlement Currency constituting the proceeds received by the Issuer and/or its affiliates in respect of any Hedging Arrangements; for the avoidance of doubt, Hedge Proceeds shall not be less than zero.

**"Hedging Arrangements"** means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the entry into or termination of, any Component Transaction, any options or futures on any relevant interest rate and any associated foreign exchange transactions.

**"Hedging Disruption"** means that the Issuer and/or its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the interest and currency rate risk of the Issuer entering into and performing its

obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Increased Cost of Hedging"** means that the Issuer and/or its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date of the relevant Securities) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the interest and currency rate risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or its affiliates shall not be deemed an Increased Cost of Hedging.

**"Index Adjustment Event"** means, in respect of an Interest Rate Index, an Index Cancellation, an Index Disruption or an Index Modification.

**"Index Cancellation"** means, in respect of an Interest Rate Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, permanently cancels such Interest Rate Index and no Successor Index exists, as determined by the Issuer.

**"Index Disruption"** means, in respect of an Interest Rate Index, the relevant Sponsor or Successor Sponsor, if applicable, on any Reference Date, Averaging Reference Date, Observation Date or other relevant date, fails to calculate and announce such Interest Rate Index, as determined by the Issuer (provided that the Issuer may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day).

**"Index Modification"** means, in respect of an Interest Rate Index, the relevant Sponsor or Successor Sponsor, if applicable, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, makes or announces that it will make a material change in the formula for, or the method of, calculating such Interest Rate Index, or in any other way materially modifies such Interest Rate Index (other than a modification prescribed in that formula or method to maintain such Interest Rate Index in the event of changes in the Component Transactions and/or other routine events).

**"Initial Averaging Date"** means, subject as provided in Asset Term 2, each date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Initial Setting Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Interest Rate Index"** means, subject as provided in Asset Term 2, the Interest Rate Index (or, if more than one, each Interest Rate Index) specified in the relevant Final Terms.

**"Interest Rate Index Basket"** means a basket composed of Interest Rate Indices in the relative proportions or numbers of Interest Rate Indices.

**"Interest Rate Index Level"** means, on any relevant day, subject as provided in Asset Term 2, the level of the relevant Interest Rate Index determined by the Issuer as at the relevant Valuation Time on such day, as calculated and published by the relevant Sponsor.

**"Interim Valuation Date"** means, subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Jurisdictional Event"** means, in respect of an Interest Rate Index, any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Jurisdictional Event Jurisdiction including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks, which has or may have (as determined in the sole and absolute discretion of the Issuer) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

**"Jurisdictional Event Jurisdiction"** means each country so specified in the relevant Final Terms.

**"Market Disruption Event"** means any event that, in the determination of the Issuer, disrupts or impairs the ability of market participants in general to effect or value any Component Transactions.

**"Maximum Days of Disruption"** means eight Scheduled Trading Days in respect of the single Interest Rate Index or an Interest Rate Index in an Interest Rate Index Basket, or such other number of Scheduled Trading Days in respect of the single Interest Rate Index or an Interest Rate Index in such Interest Rate Index Basket as specified in the relevant Final Terms.

**"Observation Date"** means each date so specified in the relevant Final Terms, provided that if "Observation Date subject to Averaging Date or Valuation Date adjustment" is specified to be applicable in respect of such date in the relevant Final Terms, then the provisions of Asset Term 2 shall apply to such date as if it were an Averaging Date or a Valuation Date, as the case may be.

**"Observation Period"** means the period so specified in the relevant Final Terms.

**"Reference Date"** means, in respect of an Interest Rate Index, each Initial Setting Date, Valuation Date or Interim Valuation Date in respect of such Interest Rate Index, in each case, subject to adjustment in accordance with these Asset Terms.

**"Scheduled Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Averaging Date.

**"Scheduled Averaging Reference Date"** means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

**"Scheduled Initial Averaging Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Averaging Date.

**"Scheduled Initial Setting Date"** means an original date that, but for such day being a Disrupted Day, would have been an Initial Setting Date.

**"Scheduled Interim Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been an Interim Valuation Date.

**"Scheduled Reference Date"** means each Scheduled Initial Setting Date, Scheduled Valuation Date or Scheduled Interim Valuation Date.

**"Scheduled Trading Day"** means any day on which the level of an Interest Rate Index is scheduled to be published by the Sponsor.

**"Scheduled Valuation Date"** means an original date that, but for such day being a Disrupted Day, would have been a Valuation Date.

**"Sponsor"** means, in relation to an Interest Rate Index, the corporation or other entity as determined by the Issuer that (a) is responsible for setting and reviewing the rules

and procedures and the methods of calculation and adjustments if any, related to such Interest Rate Index, and (b) announces (directly or through an agent) the level of such Interest Rate Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Issuer who calculates and announces the Interest Rate Index or any agent or person acting on behalf of such person.

**"Trade Date"** means the date so specified in the relevant Final Terms.

**"Valid Date"** means, in respect of an Interest Rate Index, a Scheduled Trading Day for such Interest Rate Index that is not a Disrupted Day for such Interest Rate Index and on which another Averaging Reference Date does not occur or is not deemed to occur.

**"Valuation Date"** means (other than in the case of Warrants), subject as provided in Asset Term 2, the date so specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**"Valuation Time"** means, in respect of an Interest Rate Index, the time so specified in the relevant Final Terms or, if no such time is specified, the time with reference to which the Sponsor calculates and publishes the closing level of such Interest Rate Index.

## 2. **Disrupted Days, Index Adjustment Events and Other Adjustments**

### 2.1 **Consequences of Disrupted Days**

#### (a) **Single Interest Rate Index and Reference Dates**

Where the Securities relate to a single Interest Rate Index, if the Issuer determines that any Scheduled Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (i) the last consecutive Scheduled Trading Day shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Issuer shall determine the Interest Rate Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Interest Rate Index Level in respect of the Reference Date.

#### (b) **Single Interest Rate Index and Averaging Reference Dates**

Where the Securities relate to a single Interest Rate Index, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Date is a Disrupted Day and, in the relevant Final Terms, the consequence specified for such Averaging Reference Date is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date shall be the first succeeding Scheduled Trading Day following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day, unless the Issuer determines that each of the consecutive

Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:

- (A) the last consecutive Scheduled Trading Day shall be deemed to be the sole Averaging Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (B) the Issuer shall determine the Interest Rate Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Interest Rate Index Level in respect of the sole Averaging Reference Date;
- (ii) **"Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Scheduled Trading Day following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Issuer determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day. In that case:
- (A) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Interest Rate Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine the Interest Rate Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Interest Rate Index Level in respect of the relevant Averaging Reference Date; or
- (iii) **"Modified Postponement"**, then the relevant Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
- (A) the last consecutive Scheduled Trading Day shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Interest Rate Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
  - (B) the Issuer shall determine the Interest Rate Index Level on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Interest Rate Index Level in respect of the relevant Averaging Reference Date.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(c) **Interest Rate Index Basket and Reference Dates**

Where the Securities relate to an Interest Rate Index Basket, if the Issuer determines that the Scheduled Reference Date relating to a Reference Date is a Disrupted Day for any Interest Rate Index in the Interest Rate Index Basket, then such Reference Date for such Interest Rate Index shall be the first succeeding Scheduled Trading Day for such Interest Rate Index that the Issuer determines is not a Disrupted Day relating to that Interest Rate Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Interest Rate Index equal in number to the Maximum Days of Disruption immediately following such Scheduled Reference Date is a Disrupted Day relating to that Interest Rate Index. In that case:

- (i) the last consecutive Scheduled Trading Day for such Interest Rate Index shall be deemed to be the Reference Date for such Interest Rate Index, notwithstanding the fact that such day is a Disrupted Day for such Interest Rate Index; and
- (ii) the Issuer shall determine the Interest Rate Index Level for such Interest Rate Index on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (ii) shall be deemed to be the Interest Rate Index Level in respect of the Reference Date for such Interest Rate Index.

(d) **Interest Rate Index Basket and Averaging Reference Dates**

Where the Securities relate to an Interest Rate Index Basket, if the Issuer determines that the Scheduled Averaging Reference Date relating to an Averaging Reference Date is a Disrupted Day in respect of any Interest Rate Index in the Interest Rate Index Basket and if, in the relevant Final Terms, the consequence specified is:

- (i) **"Omission"**, then such Scheduled Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date for each Interest Rate Index in the Interest Rate Index Basket, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
  - (A) for each Interest Rate Index in the Interest Rate Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is not a Disrupted Day, the sole Averaging Reference Date for such Interest Rate Index shall be the final Scheduled Averaging Reference Date; and
  - (B) for each Interest Rate Index in the Interest Rate Index Basket for which the Issuer determines that the final Scheduled Averaging Reference Date is a Disrupted Day, then the sole Averaging Reference Date for such Interest Rate Index shall be the first succeeding Scheduled Trading Day for such Interest Rate Index following the final Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to such Interest Rate Index, unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Interest Rate Index equal in number to the Maximum Days of Disruption immediately

following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that Interest Rate Index. In that case:

- (I) that last consecutive Scheduled Trading Day for such Interest Rate Index shall be deemed to be the sole Averaging Reference Date for such Interest Rate Index, notwithstanding the fact that such day is a Disrupted Day for such Interest Rate Index; and
  - (II) the Issuer shall determine the Interest Rate Index Level for such Interest Rate Index on or in respect of that last consecutive Scheduled Trading Day for such Interest Rate Index in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (II) shall be deemed to be the Interest Rate Index Level in respect of the sole Averaging Reference Date for such Interest Rate Index;
- (ii) **"Postponement"**, then for each Interest Rate Index in the Interest Rate Index Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Interest Rate Index shall be the first succeeding Scheduled Trading Day for such Interest Rate Index following such Scheduled Averaging Reference Date that the Issuer determines is not a Disrupted Day relating to that Interest Rate Index (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date for such Interest Rate Index), unless the Issuer determines that each of the consecutive Scheduled Trading Days for such Interest Rate Index equal in number to the Maximum Days of Disruption immediately following such Scheduled Averaging Reference Date is a Disrupted Day relating to such Interest Rate Index. In that case:
- (A) the last consecutive Scheduled Trading Day for such Interest Rate Index shall be deemed to be the Averaging Reference Date for such Interest Rate Index (irrespective of whether that last consecutive Scheduled Trading Day for such Interest Rate Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such Interest Rate Index); and
  - (B) the Issuer shall determine the Interest Rate Index Level for such Interest Rate Index on or in respect of that last consecutive Scheduled Trading Day for such Interest Rate Index in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Interest Rate Index Level in respect of the relevant Averaging Reference Date for such Interest Rate Index; or
- (iii) **"Modified Postponement"**, then for each Interest Rate Index in the Interest Rate Index Basket for which the Issuer determines that such Scheduled Averaging Reference Date is a Disrupted Day, the Averaging Reference Date for such Interest Rate Index shall be the first succeeding Valid Date relating to that Interest Rate Index. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day for such Interest Rate Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:

- (A) that last consecutive Scheduled Trading Day for such Interest Rate Index shall be deemed to be the Averaging Reference Date for such Interest Rate Index (irrespective of whether that last consecutive Scheduled Trading Day for such Interest Rate Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day for such Interest Rate Index); and
- (B) the Issuer shall determine the Interest Rate Index Level for such Interest Rate Index on or in respect of that last consecutive Scheduled Trading Day in accordance with Asset Term 2.1(e) (*Formula for and method of calculating an Interest Rate Index Level after the Maximum Days of Disruption*), and such determination by the Issuer pursuant to this paragraph (B) shall be deemed to be the Interest Rate Index Level in respect of the relevant Averaging Reference Date for such Interest Rate Index.

If the Issuer determines that any Averaging Reference Date is a Disrupted Day for any Interest Rate Index in the Interest Rate Index Basket and, if in the relevant Final Terms no consequence is specified in respect of such Averaging Reference Date, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

(e) **Formula for and method of calculating an Interest Rate Index level after the Maximum Days of Disruption**

In respect of an Interest Rate Index, the Issuer shall determine the Interest Rate Index Level on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Asset Term 2.1(a)(ii), 2.1(b)(i)(B), 2.1(b)(ii)(B), 2.1(b)(iii)(B), 2.1(c)(ii), 2.1(d)(i)(B)(II), 2.1(d)(ii)(B) or 2.1(d)(iii)(B), as the case may be, in accordance with the formula for and method of calculating such Interest Rate Index last in effect prior to the occurrence of the relevant first Disrupted Day, using such levels or values as the Issuer determines to be appropriate as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day of each Component comprised in such Interest Rate Index.

## 2.2 Index Adjustment Events

(a) **Successor Sponsor or Successor Index**

If an Interest Rate Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer (a "**Successor Sponsor**"), or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such Interest Rate Index, then in each case such index (the "**Successor Index**") will be deemed to be the Interest Rate Index.

The Issuer may make such adjustment(s) that it deems appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such Successor Index.

(b) **Occurrence of an Index Adjustment Event**

If the Issuer determines in respect of an Interest Rate Index that, on or prior to any Reference Date, Averaging Reference Date, Observation Date or other relevant date, an Index Adjustment Event has occurred in respect of such Interest Rate Index, then the Issuer shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Interest Rate Index level using, in lieu of a published level for such Interest Rate Index, the level for such Interest Rate Index as at the Valuation Time on that Reference Date, Averaging Reference Date, Observation Date or

other relevant date, as the case may be, as determined by the Issuer in accordance with the formula for, and method of, calculating such Interest Rate Index last in effect prior to the relevant Index Adjustment Event, but using only those Component Transactions that comprised such Interest Rate Index immediately prior to such Index Adjustment Event.

If the Issuer determines, in its discretion, that the above adjustments would not achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion

### 2.3 **Consequences of Additional Disruption Events**

If the Issuer determines that an Additional Disruption Event (where specified as being applicable in the relevant Final Terms) has occurred, the Issuer may (but need not) determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Securities, including without limitation, any variable or term relevant to the settlement or payment under such Securities, as the Issuer determines appropriate to account for the economic effect of such Additional Disruption Event on the Securities, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Securities would achieve a commercially reasonable result, on giving not more than 30 nor less than 15 days' notice to Securityholders in accordance with the General Conditions, the Issuer may redeem the Securities in whole but not in part, in which case the Issuer will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Payment Amount on such day as the Issuer shall select in its sole and absolute discretion.

### 3. **Adjustment in respect of Jurisdictional Event**

If the relevant Final Terms specify in relation to an Interest Rate Index that Jurisdictional Event shall apply and, in the determination of the Issuer, a Jurisdictional Event occurs, the Issuer may make such downward adjustment to any amount otherwise payable under the Securities as it shall determine in its discretion, acting in good faith and in a commercially reasonable manner, to take account of the effect of such Jurisdictional Event on any Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions would otherwise be the amount so payable. The Issuer will use commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines, in its sole and absolute discretion, to be commercially impracticable. The Issuer shall also take into account the effect on the Securities and whether fair treatment is achieved by any such adjustment in accordance with its applicable regulatory obligations.

### 4. **Correction of Interest Rate Index levels**

In the event that any relevant level of an Interest Rate Index published by the Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Sponsor by the second Currency Business Day prior to the next date on which any relevant payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made, then the Issuer may determine the amount that is payable or deliverable or make any determination, acting in good faith and in a commercially reasonable manner, in connection with the Securities, after taking into account such correction, and, to the

## Interest Rate Index-linked Securities

extent necessary, may adjust any relevant terms of the Securities to account for such correction.

### 5. **Responsibility**

Neither the Issuer nor the Agents shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of an Interest Rate Index, whether caused by negligence or otherwise.

## CASH INDEX-LINKED SECURITIES

**Application:** the following terms shall apply to Securities if stated in the relevant Final Terms to be "Cash Index-linked".

### 1. Definitions

"**Cash Index**" means the Cash Index (or, if more than one, each Cash Index) specified in the relevant Final Terms.

"**Cash Index Level**" means the level of the relevant Cash Index determined by the Issuer in accordance with Asset Term 2.

"**General Conditions**" means the General Note Conditions, the General Certificate Conditions or the General Warrant Conditions, as applicable.

"**Valuation Date**" means (other than in the case of Warrants) each date so specified in the relevant Final Terms.

"**Valuation Time**" means the time so specified in the relevant Final Terms.

### 2. Determination of Cash Index Level

(a) On the Initial Compounding Date, the Cash Index Level shall be one (1) (or such other level specified in the relevant Final Terms).

(b) On each Valuation Date thereafter ("**Valuation Date<sub>t</sub>**"), the Cash Index Level shall be a percentage calculated by the Issuer in accordance with the following formula:

$$\text{Level}_{\text{Prior}} \times [1 + (\text{Rate}_{\text{Prior}} \times N / \text{Day Count Denominator})]$$

Where:

"**Compounding Dates**" means the Initial Compounding Date and each of the other dates specified as Compounding Dates in the relevant Final Terms (or, if any such date is not a Currency Business Day, the next following Currency Business Day).

"**Day Count Denominator**" means the figure so specified in the relevant Final Terms or, if not specified, 360.

"**Initial Compounding Date**" means the date so specified in the relevant Final Terms.

"**LevelPrior**" is the Cash Index Level on the Compounding Date immediately prior to Valuation Date<sub>t</sub>.

"**N**" is the number of calendar days from, and including, the Compounding Date immediately prior to Valuation Date<sub>t</sub> to, but excluding, Valuation Date<sub>t</sub>.

"**RatePrior**" is the Reference Rate in respect of the Valuation Time on the Compounding Date immediately prior to Valuation Date<sub>t</sub>.

"**Reference Rate**" means the rate so specified in the relevant Final Terms published on the Specified Page.

"**Specified Page**" means the page so specified in the relevant Final Terms (or any replacement or successor page).

(c) If the Reference Rate is not shown on the Specified Page on any day for any reason, the Reference Rate for such day shall be determined by the Issuer in

## Cash Index-linked Securities

good faith in a commercially reasonable manner having regard to market practices.

**FORM OF FINAL TERMS****Final Terms dated [●]**

**[Credit Suisse International]/[Credit Suisse AG, London Branch]/[Credit Suisse AG, Nassau Branch]/[Credit Suisse AG, Singapore Branch]**

**[Callable] [Trigger] [Yield]/[Return] [●]-linked Securities due [●]**

linked to [●] (the "**Securities**")

Series [●]

issued pursuant to the Trigger Redeemable and Phoenix Securities Base Prospectus

as part of the **Structured Products Programme for the issuance of Notes, Certificates and Warrants**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 10 July 2013 [as supplemented on [●] [and by any further supplements up to, and including, the Issue Date]] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the Securities is annexed to these Final Terms. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. Copies of the Base Prospectus [and each supplemental Prospectus] may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein.

These Final Terms comprise the final terms for the issue [and public offer in [●]] [and admission to trading on [*specify regulated market*]] of the Securities. [The Final Terms will be available for viewing on [the website(s) of the Distributor(s)] [and] [the website of [●] (*specify website of the relevant exchange*).]

*(Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Final Terms.)*

1. Series Number: [●]/[Not Applicable]
2. Tranche Number: [●]/[Not Applicable]  
*(Should be "Not Applicable" unless fungible with an existing series)*  
[Date on which Securities become fungible with Series: [●]] *(Include if fungible with an existing series)*
3. Applicable General Terms and Conditions: [General Note Conditions]/[General Certificate Conditions]/[General Warrant Conditions]  
*(N.B. In certain countries, Certificates should be documented using the General Note Conditions)*  
*(N.B. For Warrants, the Issuer should be CSi)*
4. Type of Security: [Yield Securities]/[Return Securities]/[Callable Yield Securities]/[Callable Return Securities]/[Trigger Yield Securities]/[Trigger Return Securities]/[Callable Trigger Yield

- |     |  |  |  |        |
|-----|--|--|--|--------|
|     |  | Securities]/[Callable<br>Securities]/[Trigger<br>Securities]/[Not Applicable]            | Trigger<br>Securities]/[Callable<br>Securities]/[Not Applicable]   | Return |
| 5.  | Settlement Currency:                                 | [●]  |  |        |
|     | <b>PROVISIONS RELATING TO NOTES AND CERTIFICATES</b> | [Applicable]/[Not Applicable]  |  |        |
|     |  |  | <i>(If not applicable, delete the remaining paragraphs of this section)</i>  |        |
| 6.  | [Number of Securities]/[Aggregate Nominal Amount]:   |  | <i>(N.B. In the case of (i) Notes or Certificates trading in notional, specify "Aggregate Nominal Amount" and in the case of (ii) Certificates which are trading in units, specify "Number of Securities")</i>   |        |
|     | (i) Series:  | [Up to] [●]  | <i>(N.B. If "Up to" then an Article 8 notice is required for the final amount/number)</i>  |        |
|     | (ii) Tranche:  | [●]/[Not Applicable]   | <i>(Should be "Not Applicable" unless fungible)</i>  |        |
| 7.  | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] | <i>(In the case of fungible issues only, if applicable)</i>  |        |
|     |  |  | <i>(N.B. Insert above, as applicable, for Notes or Certificates which are trading in notional)</i>   |        |
|     |  | [●] per Security   | <i>(N.B. Insert above for Certificates which are trading in units)</i>   |        |
| 8.  | [Specified Denomination]/[Nominal Amount]:           | [●]  | <i>(For Securities issued by Credit Suisse International, the denomination should not be less than EUR 1,000 or equivalent thereof in other currencies if the Securities are (a) offered to the public in the EEA or (b) admitted to trading on a regulated market in the EEA)</i> |        |
| 9.  | Minimum Transferable Number of Securities:           | [●]/[Not Applicable]   |  |        |
|     |  |  | <i>(Applicable for Notes)</i>  |        |
| 10. | Transferable Number of Securities:                   | [Integral multiples of [●]]/[Not Applicable]   |  |        |
|     |  |  | <i>(Applicable for Certificates or Warrants)</i>   |        |
| 11. | Minimum Trading Lot:                                 | [●]/[Not Applicable]   |  |        |
|     |  |  | <i>(N.B. For Certificates to be listed on the Italian Stock Exchange the Minimum Trading Lot is as determined by Borsa Italiana S.p.A.)</i>  |        |

12. Issue Date: [●]/[●] [Currency] Business Days after [●] (expected to be [●])
13. Maturity Date: [●]/[●] Currency Business Days immediately following the [latest] [Final Fixing Date]/[Averaging Date]/[Knock-in Observation Date]/[Coupon Observation Date]/[Coupon Observation Averaging Date]/[Trigger Barrier Observation Date] [to occur] (expected to be [●])/[The later of [●] and the [●] Currency Business Day immediately following the [latest] [Final Fixing Date]/[Averaging Date]/[Knock-in Observation Date]/[Coupon Observation Date]/[Coupon Observation Averaging Date]/[Trigger Barrier Observation Date] [to occur] (expected to be [●])] (*Specify the number and type of days by reference to which the Maturity Date is fixed*)
14. Coupon Basis: [Applicable: [Fixed Rate Provisions]/[Floating Rate Provisions]/[Other Coupon Provisions]]/[Not Applicable]
15. Redemption/Payment Basis: [Fixed Redemption]/[Equity-linked]/[Equity Index-linked]/[Commodity-linked]/[Commodity Index-linked]/[ETF-linked]/[FX-linked]/[FX Index-linked]/[Inflation Index-linked]/[Interest Rate Index-linked]/[Cash Index-linked]
16. Put/Call Options: [Call (see item 44 below)]/[Not Applicable]
- PROVISIONS RELATING TO WARRANTS** [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining paragraphs of this section)*
17. Type of Warrants: [Equity-linked]/[Equity Index-linked]/[Commodity-linked]/[Commodity Index-linked]/[ETF-linked]/[FX-linked]/[FX Index-linked]/[Inflation Index-linked]/[Interest Rate Index-linked]/[Cash Index-linked]/[Not Applicable]
18. Exercise Style: [European Style]/[American Style]/[Bermudan Style]
19. Expiration Date/Exercise Date: [●]
20. Minimum Exercise Number: [●] [, or integral multiples thereof]
- (Minimum number of Warrants which can be exercised at any time)* *(Only for American Style Warrants. This must not be more than the Transferable Number)*
21. Maximum Exercise Number: [●]
- (Maximum number of Warrants which can be exercised at any time, subject as otherwise specified in the General Warrant Conditions)* *(Only for American Style Warrants)*
22. Number of Securities:
- (i) Series: [Up to] [●]

Form of Final Terms

*(N.B. If "Up to" then an Article 8 notice is required for the final number)*

- (ii) Tranche: [●]/[Not Applicable]  
*(Should be "Not Applicable" unless fungible)*
23. Issue Price: [●] per Security
24. Nominal Amount: [●]  
*(Required for determination of Settlement Amount)*
25. Issue Date: [●]/[[●] Currency Business Days after [●] (expected to be [●])]
26. Settlement Date: [●] Currency Business Days after the [Expiration Date]/[Exercise Date]

**PROVISIONS RELATING TO COUPON AMOUNTS**

27. Fixed Rate Provisions: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [[●] per cent. per annum]/[Not Applicable]
- (ii) Interest Commencement Date: [●]/[Issue Date]
- (iii) Interest Payment Date(s): [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention  
*(N.B. The General Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)*
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (v) Interest Amount(s) per Security: [[●] per Specified Denomination]/[[●] per cent. of the Nominal Amount]/[Not Applicable]
- (vi) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/ 365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA] [adjusted]/[unadjusted] basis)
- (vii) Determination Date(s): [●]/[Not Applicable]  
*(Insert regular Interest Payment Dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual – ICMA)*
28. Floating Rate Provisions: [Applicable]/[Not Applicable]/[Applicable for the

purposes of Product Condition 2(b)(ii)(B)]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Commencement Date: [●]/[Issue Date]
- (ii) Interest Payment Date(s): [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
- (iii) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]/[The first day of that Interest Period]
- (vi) Margin(s): [[+/-] [●] per cent. per annum]/[Not Applicable]
- (vii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
- ([adjusted]/[unadjusted] basis)
- (x) Determination Date(s): [●]/[Not Applicable]
- (Insert regular Interest Payment Dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual - ICMA)*
- (xi) Rate Multiplier: [●]/[Not Applicable]
29. Other Coupon Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Coupon Payment Event: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Coupon Amount: [Applicable]/[Not Applicable], subject to the [Coupon Floor] [and] [Coupon Cap]
- (If applicable, complete the following as applicable)*

If a Coupon Payment Event has occurred:

[Fixed – [Indicatively] [[●] per Specified Denomination]/[[●] per Security]/[[●] per cent. of the Nominal Amount] [(subject to a minimum of [[●] per Specified Denomination]/[[●] per Security]/[[●] per cent. of the Nominal Amount]]]/[Coupon Call]/[Coupon Put]/[Memory Coupon]

*(N.B. If indicative then an Article 8 notice is required for the final Coupon Amount)*

If no Coupon Payment Event has occurred: [[●] per Specified Denomination]/[[●] per Security]/[[●] per cent. of the Nominal Amount]/[zero]

- (b) Coupon Payment Event: [On [the relevant Coupon Observation Date]/[each Coupon Observation Date during the relevant Coupon Observation Period], [the Level [(with)/[without] regard to the Valuation Time)] of [the]/[any]/[each] Underlying Asset]/[the Basket Performance] is [below]/[above]/[at or below]/[at or above] the Coupon Threshold [of such Underlying Asset] corresponding to such Coupon Observation Date]/[The average of the Levels [(with regard to the Valuation Time)] of [the]/[any]/[each] Underlying Asset on each of the Coupon Observation Dates corresponding to the relevant Coupon Payment Date is [below]/[above]/[at or below]/[at or above] the Coupon Threshold corresponding to such Coupon Observation Dates]
- (c) Coupon Call/Coupon Put: [Applicable]/[Not Applicable]
- (If "Coupon Call" or "Coupon Put" is specified to be applicable, complete the following as applicable, otherwise delete)*
- Coupon Strike: [●] per cent.
  - Participation: [Indicatively] [[●] per cent.]/[Not Applicable]
- (N.B. If indicative then an Article 8 notice is required for the final Participation)*
- Minimum Participation: [[●] per cent.]/[Not Applicable]
- (d) Memory Coupon: [Applicable]/[Not Applicable]
- (If "Memory Coupon" is specified to be applicable, complete the following as applicable, otherwise delete)*
- Coupon Rate: [Indicatively] [●] per cent. [(subject to a minimum of [●] per cent.)]
- (N.B. If indicative then an Article 8 notice is required for the final Coupon Rate)*
- t: The number of [Coupon Observation Dates]/[Coupon Observation Periods] falling in the

- period commencing on, but excluding, the Issue Date and ending on, and including, the relevant Coupon Payment Date
- (ii) Double No-Touch: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Coupon Amount: [Fixed: If a Double No-Touch Event has occurred, the Coupon Amount shall be [[●] per Specified Denomination]/[[●] per Security]/[[●] per cent. of the Nominal Amount][, subject to the [Coupon Floor] [and] [Coupon Cap]]]/[Floating: If a Double No-Touch Event has occurred, the Floating Rate Provisions shall apply, and the Coupon Amount shall be an amount calculated by reference to the Rate of Interest][, subject to the [Coupon Floor] [and] [Coupon Cap]]]
- (b) Double No-Touch Event: On each Coupon Observation Date during the relevant Coupon Observation Period, [the Level [(with)/(without) regard to the Valuation Time]] of [the]/[each] Underlying Asset]/[the Basket Performance] is both [above]/[at or above] the Lower Barrier [of such Underlying Asset], and [below]/[at or below] the Upper Barrier [of such Underlying Asset]
- Lower Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- Upper Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- (iii) Double No-Touch Accrual: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Double No-Touch Event: On each Coupon Observation Date during the relevant Coupon Observation Period, [the Level [(with)/(without) regard to the Valuation Time]] of [the]/[each] Underlying Asset]/[the Basket Performance] is both [above]/[at or above] the Lower Barrier [of such Underlying Asset], and [below]/[at or below] the Upper Barrier [of such Underlying Asset]
- Lower Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- Upper Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- (b) Coupon Rate: [Indicatively] [●] per cent. [(subject to a minimum of [●] per cent.)]
- (N.B. If indicative then an Article 8 notice is required for the final Coupon Rate)*

Form of Final Terms

- (iv) Double No-Touch Memory: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Double No-Touch Event: On each Coupon Observation Date during the relevant Coupon Observation Period, [the Level [(with)/(without) regard to the Valuation Time]] of [the]/[each] Underlying Asset]/[the Basket Performance] is both [above]/[at or above] the Lower Barrier [of such Underlying Asset], and [below]/[at or below] the Upper Barrier [of such Underlying Asset]
- Lower Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- Upper Barrier: [[●] per cent.]/[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]
- (b) Coupon Rate: [Indicatively] [●] per cent. [(subject to a minimum of [●] per cent.)]  
*(N.B. If indicative then an Article 8 notice is required for the final Coupon Rate)*
- (c) t: The number of [Coupon Observation Dates]/[Coupon Observation Periods] falling in the period commencing on, but excluding, the Issue Date and ending on, and including, the relevant Coupon Payment Date
- (v) Range Accrual: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Accrual Condition: On any Accrual Day, the Level [(with)/(without) regard to the Valuation Time]] of [[the]/[each] Underlying Asset]/[the Worst Performing Underlying Asset] is [at or above the Coupon Threshold of such Underlying Asset]/[both (i) at or above its Lower Barrier and (ii) at or below its Upper Barrier]
- Coupon Threshold: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[Not Applicable]
- Lower Barrier: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]/[Not Applicable]
- Upper Barrier: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[specify amount]/[Not Applicable]
- Scheduled Accrual Day: A day which is a Scheduled Trading Day for [the]/[each] Underlying Asset
- (b) Accrual Period:
- Accrual Period Start Date: [●]
- Accrual Period End [●]

- Date:
- (c) Rate: [●] per cent.
- (vi) Step-Up: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Level/Basket Performance: [For the purposes of Product Conditions 2(b)(ii)(F)(I) and 2(b)(ii)(F)(II): The Level of [the]/[each] Underlying Asset ([with]/[without] regard to the Valuation Time)]/[Basket Performance]
  - [For the purposes of Product Condition 2(b)(ii)(F)(III): [The Level of [the]/[any] Underlying Asset ([with]/[without] regard to the Valuation Time)]/[Basket Performance]
  - Coupon Threshold 1: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]
  - Coupon Rate 1: [Indicatively] [●] per cent. [(subject to a minimum of [●] per cent.)]
  - (N.B. If indicative then an Article 8 notice is required for the final Coupon Rate 1)*
  - Coupon Threshold 2: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]
  - Coupon Rate 2: [Indicatively] [●] per cent. [(subject to a minimum of [●] per cent.)]
  - (N.B. If indicative then an Article 8 notice is required for the final Coupon Rate 2)*
- (vii) Coupon Cap: [[●] per cent. of Nominal Amount]/[Not Applicable]
- (viii) Coupon Floor: [[●] per cent. of Nominal Amount]/[Not Applicable]
- (ix) Coupon Payment Date(s): [[●], [●] and [●] ]/[●] Currency Business Days following the [relevant Coupon Observation Date]/[relevant last Coupon Observation Averaging Date]/[last day of the relevant Coupon Observation Period]]/[As specified in the table below]
- (x) Coupon Threshold: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]/[As specified in the table below]/[Not Applicable]
- (xi) Coupon Date(s): Observation [[●], [●] and [●] ]/[As specified in the table below]/[Each Scheduled Trading Day in the relevant Coupon Observation Period]/[Each Scheduled Trading Day which is not a Disrupted Day in the relevant Coupon Observation Period]/[Each day falling in the relevant Coupon Observation Period on which such Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]/[Each day falling in the relevant Coupon Observation Period on which one

or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]

(xii) Coupon Observation Date subject to Valuation Date adjustment: [Valuation Date adjustment applicable in respect of [[●], [●] and [●]]/[the]/[all] Coupon Observation Date[s]]/[Not Applicable]

(xiii) Coupon Observation Period(s): [From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]]/[As specified in the table below]/[Not Applicable]

	<b>Coupon Observation Date<sub>n</sub></b>	<b>Coupon Observation Period<sub>n</sub></b>	<b>Coupon Observation Averaging Date<sub>n</sub></b>	<b>Coupon Threshold<sub>n</sub></b>	<b>Coupon Payment Date<sub>n</sub></b>	<b>Coupon Amount<sub>n</sub></b>
1.	[●]	From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[●], [●] and [●]	[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]	[●]/[[●] Currency Business Days following the [relevant Coupon Observation Date]/[relevant last Coupon Observation Averaging Date]/[last day of the relevant Coupon Observation Period]]	[●]
2.	[●]	From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[●], [●] and [●]	[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]	[●]/[[●] Currency Business Days following the [relevant Coupon Observation Date]/[relevant last Coupon Observation Averaging Date]/[last day of the relevant	[●]

			Coupon Observation Period]]		
3.	[●]	From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[●], [●] and [●]	[[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]	[●]/[[●] Currency Business Days following the [relevant Coupon Observation Date]/[relevant last Coupon Observation Averaging Date]/[last day of the relevant Coupon Observation Period]]

*(Repeat as necessary)*

*(Delete the relevant columns as necessary)*

(xiv) Coupon Fixing Price: [Not Applicable]/[The Level [[with]/[without] regard to the Valuation Time)] of the [relevant] Underlying Asset on the relevant Coupon Observation Date]/[The [lowest]/[highest]/[average] of the Levels [[with]/[without] regard to the Valuation Time)] of the [relevant] Underlying Asset on each of the Coupon Observation Averaging Dates]

*(N.B. Coupon Fixing Price is required if Coupon Call or Coupon Put is applicable)*

(xv) Coupon Observation Averaging Dates: [[●], [●] and [●]]/[As specified in the table above]

(xvi) Knock-in Coupon Cut-Off: [Applicable]/[Not Applicable]

*(If applicable Coupon Amounts will not be payable following the occurrence of a Knock-in Event)*

**PROVISIONS RELATING TO REDEMPTION/SETTLEMENT**

- 30. Redemption Amount or (in the case of Warrants) Settlement Amount: [Single Factor Trigger Redeemable]/[Single Factor Phoenix]/[Worst of Trigger Redeemable]/[Worst of Phoenix]/[Basket Trigger Redeemable]/[Basket Phoenix]/[Fixed Redemption]/[Redemption Call]/[Redemption Put]
- 31. Redemption Option Percentage: [[●] per cent.]/[Not Applicable]
- 32. Redemption Amount Cap/Floor: [Applicable]/[Not Applicable]

Form of Final Terms

*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*

- (i) Redemption Amount Cap: [[●] per cent. of the Nominal Amount]/[Not Applicable]
- (ii) Redemption Amount Floor: [[●] per cent. of the Nominal Amount]/[Not Applicable]
33. Initial Setting Date: [●]
34. Initial Averaging Dates: [●]
35. Final Fixing Date: [●]
36. Averaging Dates: [●]
37. Final Price: [The Level [[with]/[without] regard to the Valuation Time] of the [relevant] Underlying Asset on the Final Fixing Date]
- [The [lowest]/[highest]/[average] of the Levels [[with]/[without] regard to the Valuation Time] of the [relevant] Underlying Asset on each of the Averaging Dates]
38. Strike Price: [●] *(Specify separately for each Underlying Asset)*
- [The Level [[with]/[without] regard to the Valuation Time] of the [relevant] Underlying Asset on the Initial Setting Date]
- [The [lowest]/[highest]/[average] of the Levels [[with]/[without] regard to the Valuation Time] of the [relevant] Underlying Asset on each of the Initial Averaging Dates[, subject to the [Strike Floor] [and] [Strike Cap]]]
- (i) Strike Cap: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Strike Cap Percentage: [●] per cent.
- (ii) Strike Floor: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraph of this paragraph)*
- Strike Floor Percentage: [●] per cent.
39. Knock-in Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Knock-in Event: [On the relevant Knock-in Observation Date, [the Level [[with]/[without] regard to the Valuation Time] of [the]/[any] Underlying Asset]/[the Basket Performance] is [below]/[above]/[at or below]/[at or

above] the Knock-in Barrier [of such Underlying Asset]/[The average of the Levels [(with regard to the Valuation Time)] of [the]/[any] Underlying Asset on each of the Knock-in Observation Dates [in the Knock-in Observation Period] is [below]/[above]/[at or below]/[at or above] the Knock-in Barrier [of such Underlying Asset]]

(ii) Knock-in Barrier: [[●] per cent. of the Strike Price of the relevant Underlying Asset]/[[●] per cent.]/[As specified in the table below]

*(Specify separately for each Underlying Asset)*

(iii) Knock-in Date(s): Observation [[●], [●] and [●]]/[As specified in the table below]/[Each Scheduled Trading Day in the relevant Knock-in Observation Period]/[Each Scheduled Trading Day which is not a Disrupted Day in the relevant Knock-in Observation Period]/[Each day falling in the relevant Knock-in Observation Period on which such Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]/[Each day falling in the relevant Knock-in Observation Period on which one or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]

(iv) Knock-in Observation Date subject to Valuation Date adjustment: [Valuation Date adjustment applicable in respect of [[●], [●] and [●]]/[the]/[all] Knock-in Observation Date[s]]/[Not Applicable]

(v) Knock-in Period: Observation [From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]]/[As specified in the table below]/[Not Applicable]

	<b>Knock-in Date<sub>n</sub></b>	<b>Observation</b>	<b>Knock-in Observation Period<sub>n</sub></b>	<b>Knock-in Barrier<sub>n</sub></b>
1.	[●]		From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[[●]per cent.]/[[●] per cent. of the Strike Price]
2.	[●]		From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[[●]per cent.]/[[●] per cent. of the Strike Price]
3.	[●]		From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]	[[●]per cent.]/[[●] per cent. of the Strike Price]

*(Repeat as necessary)*

*(Delete the relevant columns as necessary)*

Form of Final Terms

- (vi) Redemption Participation: [Not Applicable]  
 [If a Knock-in Event occurs: [●] per cent.  
 If no Knock-in Event occurs: [●] per cent.]
- (vii) Floor: [[●] per cent.]/[Not Applicable]
40. Trigger Redemption: [Applicable]/[Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Trigger Event: [On [the]/[any] Trigger Barrier Observation Date, [the Level [(with)/without] regard to the Valuation Time)] of [the]/[each] Underlying Asset/[the Basket Performance] is at or above the Trigger Barrier [of such Underlying Asset]/[The average of the Levels [(with regard to the Valuation Time)] of [the]/[each] Underlying Asset on each of the Trigger Barrier Observation Dates corresponding to the relevant Trigger Barrier Redemption Date is at or above the Trigger Barrier [of such Underlying Asset]]
- (ii) Trigger Barrier Redemption Date(s): [Any of [●], [●] and [●]]/[As specified in the table below]/[A day selected by the Issuer falling not later than 10 Currency Business Days after the occurrence of the Trigger Event]
- (iii) Trigger Barrier Redemption Amount: [[●] per cent. of the Nominal Amount]/[A percentage of the Nominal Amount, as specified in the table below]
- (iv) Trigger Barrier: [[●] per cent. of the Strike Price]/[[●] per cent.]/[As specified in the table below]  
*(Specify separately for each Underlying Asset)*
- (v) Trigger Barrier Observation Date(s): [[●], [●] and [●]]/[As specified in the table below]/[Each Scheduled Trading Day in the relevant Trigger Barrier Observation Period]/[Each Scheduled Trading Day which is not a Disrupted Day in the relevant Trigger Barrier Observation Period]/[Each day falling in the relevant Trigger Barrier Observation Period on which the Underlying Asset is traded on the relevant Exchange, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]/[Each day falling in the relevant Trigger Barrier Observation Period on which one or more official levels of the Underlying Asset is published, as determined by the Sponsor, regardless of whether such day is a Scheduled Trading Day or a Disrupted Day for such Underlying Asset]
- (vi) Trigger Barrier Observation Date subject to Valuation Date adjustment: [Valuation Date adjustment applicable in respect of [[●], [●] and [●]]/[the]/[all] Trigger Barrier Observation Date[s]]/[Not Applicable]
- (vii) Trigger Barrier Observation [From[, and including,]/[, but excluding,] [●] to[, and including,]/[, but excluding,] [●]]/[As specified in the

	Period:	table below)/[Not Applicable]				
	<b>Trigger Barrier Observation Date<sub>n</sub></b>	<b>Trigger Barrier Observation Period<sub>n</sub></b>	<b>Trigger Barrier<sub>n</sub></b>	<b>Trigger Redemption Amount<sub>n</sub></b>	<b>Barrier</b>	<b>Trigger Barrier Redemption Date<sub>n</sub></b>
1.	[●]	From[, and including,]/[, but excluding,] [● ] to[, and including,]/[, but excluding,] [● ]	[●] per cent./[[●] per cent. of the Strike Price]	[●]/[[●] per cent. of the Nominal Amount]		[●]
2.	[●]	From[, and including,]/[, but excluding,] [● ] to[, and including,]/[, but excluding,] [● ]	[●]per cent./[[●] ] per cent. of the Strike Price]	[●]/[[●] per cent. of the Nominal Amount]		[●]
3.	[●]	From[, and including,]/[, but excluding,] [● ] to[, and including,]/[, but excluding,] [● ]	[●]per cent./[[●] ] per cent. of the Strike Price]	[●]/[[●] per cent. of the Nominal Amount]		[●]

*(Repeat as necessary)*

*(Delete the relevant columns as necessary)*

(viii) Knock-in Event Override Condition: [Applicable]/[Not Applicable]

(ix) Trigger Barrier Fixing Price: The Level [(with)/[without] regard to the Valuation Time)] of the [relevant] Underlying Asset on the relevant Trigger Barrier Observation Date

41. Details relating to Instalment Securities: [Applicable]/[Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Instalment Amount(s): [●]

(ii) Instalment Date(s): [●]

*(N.B. Instalment Dates must fall on an Interest Payment Date)*

(iii) Minimum Instalment [●]

Form of Final Terms

- Amount(s):
- (iv) Maximum Instalment Amount(s):
42. Physical Settlement Provisions:
- (Not applicable to Warrants)* *(N.B. If physical settlement applies, structure should be cleared with CS Tax dept)*
- (N.B. Physical settlement is only possible with third party shares admitted to an EU regulated market)*
- (N.B. For Certificates to be listed on the Italian Stock Exchange, physical settlement is only possible where the underlying assets are shares or government securities that are traded in regulated markets managed by Borsa Italiana)*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Physical Settlement Trigger:
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Physical Settlement Trigger Event: On the Physical Settlement Trigger Observation Date, the Share Price  regard to the Valuation Time of  Underlying Asset is  below the Physical Settlement Trigger Event Barrier
- (b) Physical Settlement Trigger Event Barrier:  per cent. of the Strike Price
- (c) Physical Settlement Trigger Observation Date:
- (d) Physical Settlement Trigger Observation Date subject to Valuation Date adjustment:  Valuation Date adjustment applicable in respect of  and  Physical Settlement Trigger Observation Date[s]
- (e) Ratio:  (Specify separately for each Share) Nominal Amount ÷  Spot Rate Strike Price
- (ii) Physical Settlement Option:
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- (a) Physical Settlement Option Notice Period:  Banking Days prior to the Maturity Date
- (b) Presentation Date Notice Period:  Banking Days prior to the Presentation Date

- (c) Ratio:  $[[\bullet]]$  (*Specify separately for each Share*)/[Nominal Amount ÷ [Spot Rate]/[Strike Price]]
43. Put Option: Not Applicable
44. Call Option: [Applicable]/[Not Applicable]
- (Not applicable to Warrants)* *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s):  $[\bullet]$
- (ii) Optional Redemption Amount:  $[[\bullet]]$  per cent. of the Nominal Amount] [together with any interest accrued to the date fixed for redemption]
- (iii) If redeemable in part:  $[\bullet]$ /[Not Applicable]
- (a) Minimum Nominal Amount to be redeemed:  $[\bullet]$
- (b) Maximum Nominal Amount to be redeemed:  $[\bullet]$
- (iv) Notice period: [As per the General [Note]/[Certificate] Conditions]/[Not less than  $[\bullet]$  Business Days]
- (Complete if Notice is other than the 15 Business Days provided in the Base Prospectus)*
45. Early Payment Amount – Deduction for Hedge Costs: [Applicable]/[Not Applicable]

**UNDERLYING ASSETS**

46. List of Underlying Assets: Applicable
- | i           | Underlying Asset <sub>i</sub> | Weighting <sub>i</sub>        | Composite <sub>i</sub>        |
|-------------|-------------------------------|-------------------------------|-------------------------------|
| $[\bullet]$ | $[\bullet]$                   | $[\bullet]$ /[Not Applicable] | [Applicable]/[Not Applicable] |
| $[\bullet]$ | $[\bullet]$                   | $[\bullet]$ /[Not Applicable] | [Applicable]/[Not Applicable] |
- (Add further lines where necessary)*
- (If any Underlying Asset is a US share or index containing US shares, structure should be cleared by CS Tax Dept)*
47. Equity-linked Securities: [Applicable]/[Not Applicable]
- (If not applicable, delete the following sub-paragraphs of this paragraph)*
- Single Share or Share Basket: [Single Share]/[Share Basket]

Form of Final Terms

- (i) Share Issuer: [●] (*Specify name of Share Issuer*)
- (ii) Share: [●] (*Specify name of Share*)
- (iii) ISIN: [●]
- (iv) Bloomberg Code: [●]
- (v) Information Source: [●]
- (vi) Exchange: [●]
- (vii) Related Exchange: [●]/[All Exchanges]
- (viii) Maximum Days of Disruption: [[Eight] Scheduled Trading Days as specified in Asset Term 1]/[●] Scheduled Trading Day[s]/[Not Applicable]
- (ix) Adjustment basis for Share Basket and Reference Dates: [Not Applicable]/[In respect of [●] (*Specify applicable date (e.g., Initial Setting Date, Interim Valuation Date, Valuation Date)*): Share Basket and Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]]  
*(Repeat as necessary)*
- (x) Adjustment basis for [Single Share]/[Share Basket] and Averaging Reference Dates: [Not Applicable]/[Applicable]/[*(insert for Share Basket only)* In respect of [●] (*Specify applicable date (e.g., Initial Averaging Date, Averaging Date)*): Share Basket and Averaging Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]]  
*(Repeat as necessary)*
- (a) Omission: [Applicable]/[Not Applicable]
- (b) Postponement: [Applicable]/[Not Applicable]
- (c) Modified Postponement: [Applicable]/[Not Applicable]
- (xi) Trade Date: [●]/[Not Applicable]
- (xii) Jurisdictional Event: [Applicable]/[Not Applicable]
- (xiii) Jurisdictional Event Jurisdiction(s): [●]/[Not Applicable]
- (xiv) Share Substitution: [Applicable]/[Not Applicable]
- (xv) Additional Disruption Events:
- (a) Change in Law: [Change in Law Option [1]/[2]/[3] Applicable]/[Not Applicable]
- (b) Foreign Ownership Event: [Applicable]/[Not Applicable]
- (c) FX Disruption: [Applicable]/[Not Applicable]

- (d) Insolvency Filing: [Applicable]/[Not Applicable]
- (e) Hedging Disruption: [Applicable]/[Not Applicable]
- (f) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (g) Loss of Stock Borrow: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
- Maximum Stock Loan Rate: [●]/[Not Applicable]
- (h) Increased Cost of Stock Borrow: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
- Initial Stock Loan Rate: [●]/[Not Applicable]  
*(Default position for Loss of Stock Borrow/Increased Cost of Stock Borrow is Not Applicable)*

*(Repeat (i) to (xv) as necessary where there is more than one Share)*

48. Equity Index-linked Securities: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*
- Single Index or Index Basket: [Single Index]/[Index Basket]
- (i) Index: [●] *(Specify name of Index)*
- (ii) Type of Index: [Single-Exchange Index]/[Multi-Exchange Index]/[Proprietary Index]
- (iii) Bloomberg code(s): [●]
- (iv) Information Source: [●]
- (v) Required Exchanges: [●]/[Not Applicable]
- (vi) Related Exchange: [●]/[All Exchanges]
- (vii) Disruption Threshold: [20]/[●] per cent.
- (viii) Maximum Days of Disruption: [[Eight] Scheduled Trading Days as specified in Asset Term 1]/[[●] Scheduled Trading Day[s]]/[Not Applicable]
- (ix) Adjustment basis for Index Basket and Reference Dates: [Not Applicable]/[In respect of [●] *(Specify applicable date (e.g., Initial Setting Date, Interim Valuation Date, Valuation Date))*]: Index Basket and Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]

Form of Final Terms

*(Repeat as necessary)*

- (x) Adjustment basis for [Not Applicable]/[Applicable]/*[(insert for Index Basket only) In respect of [●] (Specify applicable date (e.g., Initial Averaging Date, Averaging Date)):* [Single Index]/[Index Basket] and Averaging Reference Dates: Index Basket and Averaging Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]

*(Repeat as necessary)*

- (a) Omission: [Applicable]/[Not Applicable]
- (b) Postponement: [Applicable]/[Not Applicable]
- (c) Modified Postponement: [Applicable]/[Not Applicable]
- (xi) Trade Date: [●]/[Not Applicable]
- (xii) Jurisdictional Event: [Applicable]/[Not Applicable]
- (xiii) Jurisdictional Event Jurisdiction(s): [●]
- (xiv) Additional Disruption Events:
- (a) Change in Law: [Change in Law Option [1]/[2]/[3] Applicable]/[Not Applicable]
- (b) Foreign Ownership Event: [Applicable]/[Not Applicable]
- (c) FX Disruption: [Applicable]/[Not Applicable]
- (d) Hedging Disruption: [Applicable]/[Not Applicable]
- (e) Increased Cost of Hedging: [Applicable]/[Not Applicable]

*(Repeat (i) to (xiv) as necessary where there is more than one Equity Index)*

49. Commodity-linked Securities: [Applicable]/[Not Applicable]

*(If not applicable, delete the following sub-paragraphs of this paragraph)*

Single Commodity or basket of Commodities [Single Commodity]/[Basket of Commodities]

- (i) Commodity: [●]
- (ii) Bloomberg Code: [●]
- (iii) Information Source: [●]
- (iv) Jurisdictional Event: [Applicable]/[Not Applicable]

- (v) Jurisdictional Event [●]/[Not Applicable]  
Jurisdiction(s):
- (vi) Commodity Reference [●]/[Commodity Reference Dealers]/[As specified in  
Price: Asset Term 5]
- (vii) Price Source: [●]
- (viii) Exchange: [●]
- (ix) Delivery Date: [●]/[●] Nearby Month]/[Not Applicable]
- (x) Specified Price: [The high price]/[The mid price]/[The low price]/[The  
average of the high price and the low price]/[The  
closing price]/[The opening price]/[The bid  
price]/[The asked price]/[The average of the bid  
price and the asked price]/[The settlement  
price]/[The official settlement price]/[The official  
price]/[The morning fixing]/[The afternoon  
fixing]/[The fixing]/[The bid fixing]/[The mid  
fixing]/[The asked fixing]/[The spot price]
- (xi) Bullion Reference Dealers: [●]/[Not Applicable]
- (xii) Reference Dealers: [●]/[Not Applicable]
- (xiii) Trade Date: [●]/[Not Applicable]
- (xiv) Commodity Business Day [Following Commodity Business Day  
Convention: Convention]/[Modified Following Commodity  
Business Day Convention]/[Nearest Commodity  
Business Day Convention]/[Preceding Commodity  
Business Day Convention]/[No Adjustment]
- (xv) Common Pricing: [Applicable]/[Not Applicable]
- (xvi) Market Disruption Event:
- (a) Price Source [Applicable]/[Not Applicable]  
Disruption:  
*(If not applicable, delete the following sub-  
paragraph of this paragraph)*
- Price Materiality [[●] per cent.]/[Not Applicable]  
Percentage:
- (b) Trading Disruption: [Applicable]/[Not Applicable]
- (c) Disappearance of [Applicable]/[Not Applicable]  
Commodity  
Reference Price:
- (d) Material Change in [Applicable]/[Not Applicable]  
Formula:
- (e) Material Change in [Applicable]/[Not Applicable]  
Content:
- (f) Tax Disruption: [Applicable]/[Not Applicable]
- (xvii) Disruption Fallbacks:

Form of Final Terms

- (a) Delayed Publication or Announcement: [Not Applicable]/[Applicable – to be applied [first]/[second]/[third]/[fourth]/[fifth]/[sixth]]
- Maximum Days of Disruption: [[Five] Commodity Business Days as specified in Asset Term 1]/[[●] Commodity Business Day[s]]/[Not Applicable]
- (b) Fallback Reference Dealers: [Not Applicable]/[Applicable – to be applied [first]/[second]/[third]/[fourth]/[fifth]/[sixth]]
- (c) Fallback Reference Price: [Not Applicable]/[Applicable – to be applied [first]/[second]/[third]/[fourth]/[fifth]/[sixth]]
- (If not applicable, delete the following sub-paragraph of this paragraph)*
- Alternate Commodity Reference Price: [●]
- (d) Issuer Determination: [Not Applicable]/[Applicable – to be applied [first]/[second]/[third]/[fourth]/[fifth]/[sixth]]
- (e) Postponement: [Not Applicable]/[Applicable – to be applied [first]/[second]/[third]/[fourth]/[fifth]/[sixth]]
- (If not applicable, delete the following sub-paragraph of this paragraph)*
- Maximum Days of Disruption: [[Five] Commodity Business Days as specified in Asset Term 1]/[[●] Commodity Business Day[s]]/[Not Applicable]
- (xviii) Additional Disruption Events:
- (a) Change in Law: [Applicable]/[Not Applicable]
- (b) Hedging Disruption: [Applicable]/[Not Applicable]
- (c) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (Repeat (i) to (xviii) as necessary where there is more than one Commodity)*
50. Commodity Index-linked Securities: [Applicable]/[Not Applicable]
- (If not applicable, delete the following sub-paragraphs of this paragraph)*
- Single Commodity Index or basket of Commodity Indices: [Single Commodity Index]/[Basket of Commodity Indices]
- (i) Commodity Index: [●]
- (ii) Bloomberg Code: [●]
- (iii) Information Source: [●]

- (iv) Jurisdictional Event: [Applicable]/[Not Applicable]
- (v) Jurisdictional Event [●]/[Not Applicable]  
Jurisdiction(s):
- (vi) Trade Date: [●]/[Not Applicable]
- (vii) Market Disruption Event:
  - (a) Price Source [Applicable]/[Not Applicable]  
Disruption:
  - (b) Trading Disruption: [Applicable]/[Not Applicable]
  - (c) Disappearance of [Applicable]/[Not Applicable]  
Component Price:
  - (d) Early Closure: [Applicable]/[Not Applicable]
  - (e) Material Change in [Applicable]/[Not Applicable]  
Formula:
  - (f) Material Change in [Applicable]/[Not Applicable]  
Content:
  - (g) Tax Disruption: [Applicable]/[Not Applicable]
- (viii) Additional Disruption  
Events:
  - (a) Change in Law: [Applicable]/[Not Applicable]
  - (b) Hedging [Applicable]/[Not Applicable]  
Disruption:
  - (c) Increased Cost of [Applicable]/[Not Applicable]  
Hedging:

*(Repeat (i) to (viii) as necessary where there is more than one Commodity Index)*

51. ETF-linked Securities: [Applicable]/[Not Applicable]

*(If not applicable, delete the following sub-paragraphs of this paragraph)*

Single ETF Share or ETF Share Basket: [Single ETF Share]/[ETF Share Basket]

- (i) ETF Share: [●]
- (ii) Fund: [●]
- (iii) Fund Adviser: [●]/[Not Applicable]
- (iv) Fund Administrator: [●]/[Not Applicable]
- (v) Exchange: [●]
- (vi) Related Exchange: [●]/[All Exchanges]
- (vii) Maximum Days of [Eight] Scheduled Trading Days as specified in

Form of Final Terms

- Disruption: Asset Term 1/[●] Scheduled Trading Day[s]/[Not Applicable]
- (viii) Adjustment basis for ETF Share Basket and Reference Dates: [Not Applicable]/[In respect of [●] (*Specify applicable date (e.g., Initial Setting Date, Interim Valuation Date, Valuation Date)*): ETF Share Basket and Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]]  
*(Repeat as necessary)*
- (ix) Adjustment basis for [Single ETF Share]/[ETF Share Basket] and Averaging Reference Dates: [Not Applicable]/[Applicable]/[*(insert for ETF Share Basket only)* In respect of [●] (*Specify applicable date (e.g., Initial Averaging Date, Averaging Date)*): ETF Share Basket and Averaging Reference Dates - [Individual/Individual]/[Common/Individual]/[Common/Common]]  
*(Repeat as necessary)*
- (a) Omission: [Applicable]/[Not Applicable]
- (b) Postponement: [Applicable]/[Not Applicable]
- (c) Modified Postponement: [Applicable]/[Not Applicable]
- (x) Reference Index: [●]/[Not Applicable]
- (xi) Trade Date: [●]/[Not Applicable]
- (xii) Jurisdictional Event: [Applicable]/[Not Applicable]
- (xiii) Jurisdictional Event Jurisdiction(s): [●]/[Not Applicable]
- (xiv) Share Substitution: [Applicable]/[Not Applicable]
- (xv) Additional Disruption Event:
- (a) Change in Law: [Change in Law Option [1]/[2]/[3] Applicable]/[Not Applicable]
- (b) Cross-contamination: [Applicable]/[Not Applicable]
- (c) Foreign Ownership Event: [Applicable]/[Not Applicable]
- (d) Fund Insolvency Event: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following subparagraph of this paragraph)*
- Fund Insolvency Entity: [●]
- (e) Fund Modification: [Applicable]/[Not Applicable]
- (f) FX Disruption: [Applicable]/[Not Applicable]

- (g) Hedging Disruption: [Applicable]/[Not Applicable]
- (h) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (i) Regulatory Action: [Applicable]/[Not Applicable]
- (j) Strategy Breach: [Applicable]/[Not Applicable]  
*(Default position for Cross-Contamination/Fund Insolvency Event/Fund Modification/Regulatory Action/Strategy Breach is Applicable)*
- (k) Loss of Stock Borrow: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
  - Maximum Stock Loan Rate: [●]/[Not Applicable]
- (l) Increased Cost of Stock Borrow: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
  - Initial Stock Loan Rate: [●]/[Not Applicable]  
*(Default position for Loss of Stock Borrow/Increased Cost of Stock Borrow is Not Applicable)*

*(Repeat (i) to (xv) as necessary where there is more than one ETF Share)*

52. FX-linked Securities: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*
- Single FX Rate or Basket of FX Rates: [Single FX Rate]/[Basket of FX Rates]
- (i) FX Rate: [Spot rate of exchange]/[Bid rate of exchange]/[Mid rate of exchange]/[Offer rate of exchange]/[Rate of exchange] of [Reference Currency] for [Base Currency]
  - (ii) FX Page: [●]
  - (iii) Specified Time: [●]
  - (iv) FX Rate Sponsor: [●]
  - (v) Information Source: [●]
  - (vi) Trade Date: [●]/[Not Applicable]
  - (vii) Jurisdictional Event: [Applicable]/[Not Applicable]
  - (viii) Jurisdictional Event: [●]/[Not Applicable]

Form of Final Terms

- Jurisdiction(s):
- (ix) Base Currency: [●]
  - (x) Reference Currency: [●]/[Specified Currency]
  - (xi) Specified Currency: [●]/[Not Applicable]
  - (xii) Event Currency: [●]
  - (xiii) Non-Event Currency: [●] *(insert the currency for any FX Rate that is not the Event Currency, or another currency)*
  - (xiv) FX Business Day Convention: [Following FX Business Day Convention]/[Modified Following FX Business Day Convention]/[Nearest FX Business Day Convention]/[Preceding FX Business Day Convention]/[No Adjustment]
  - (xv) Number of FX Settlement Days: [●]/[Not Applicable]
  - (xvi) Benchmark Obligation: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following subparagraphs of this paragraph)*
    - (a) Benchmark Obligation description: [●]
    - (b) Primary Obligor: [●]
    - (c) Type of Instrument: [●]
    - (d) Currency of Denomination: [●]
    - (e) Coupon: [●]
    - (f) Maturity Date: [●]
    - (g) BB Number: [●]
    - (h) Face Value: [●]
  - (xvii) Market Disruption Events:
    - (a) Benchmark Obligation Default: [Applicable]/[Not Applicable]
    - (b) Dual Exchange Rate: [Applicable]/[Not Applicable]
    - (c) General Inconvertibility: [Applicable]/[Not Applicable]
    - (d) General Non-Transferability: [Applicable]/[Not Applicable]
    - (e) Governmental Authority Default: [Applicable]/[Not Applicable]

- (f) Illiquidity: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*
- Minimum Amount: [●]
  - Illiquidity Valuation Date: [●]
- (g) Material Change in Circumstances: [Applicable]/[Not Applicable]
- (h) Nationalisation: [Applicable]/[Not Applicable]
- (i) Price Materiality: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*
- FX Rate for determining Primary Rate: [●]
  - FX Rate for determining Secondary Rate: [●]
  - Price Materiality Percentage: [●]
- (j) Price Source Disruption: [Applicable]/[Not Applicable]
- (k) Specific Inconvertibility: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
- Minimum Amount: [●]
- (l) Specific Non-Transferability: [Applicable]/[Not Applicable]
- (xviii) Disruption Fallbacks:
- (a) Issuer Determination: [Not Applicable]/[Applicable – to be applied [first]/second]/[third]/[fourth]/[fifth]]
  - (b) Currency-Reference Dealers: [Not Applicable]/[Applicable – to be applied [first]/second]/[third]/[fourth]/[fifth]]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*
  - Reference Dealers: [●]
  - (c) Fallback Reference Price: [Not Applicable]/[Applicable – to be applied [first]/second]/[third]/[fourth]/[fifth]]  
*(If not applicable, delete the following sub-paragraph of this paragraph)*

Form of Final Terms

- alternative price source: [●]
- (d) Postponement: [Not Applicable]/[Applicable – to be applied [first]/second/[third]/[fourth]/[fifth]]  
*(If not applicable, delete the following subparagraph of this paragraph)*
- Maximum Days of Disruption: [[Five] FX Business Days as specified in Asset Term 1]/[●] FX Business Day[s]//[Not Applicable]
- (xix) Additional Disruption Events:
  - (a) Change in Law: [Applicable]/[Not Applicable]
  - (b) Hedging Disruption: [Applicable]/[Not Applicable]
  - (c) Increased Cost of Hedging: [Applicable]/[Not Applicable]

*(Repeat (i) to (xix) as necessary where there is more than one FX Rate)*

53. FX Index-linked Securities: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following subparagraphs of this paragraph)*
- Single FX Index or FX Index Basket: [Single FX Index]/[FX Index Basket]
- (i) FX Index: [●] *(Specify name of FX Index)*
  - (ii) FX Rate(s): [Spot rate of exchange]/[Bid rate of exchange]/[Mid rate of exchange]/[Offer rate of exchange]/[Rate of exchange] of [Reference Currency] for [Base Currency]
  - (iii) FX Page(s): [●]
  - (iv) Specified Time: [●]
  - (v) FX Rate Sponsor: [●]
  - (vi) Information Source: [●]
  - (vii) Additional Business Centre(s): [●]
  - (viii) Maximum Days of Disruption: [[Five] Scheduled Trading Days as specified in Asset Term 1]/[●] Scheduled Trading Day[s]//[Not Applicable]
  - (ix) Trade Date: [●]/[Not Applicable]
  - (x) Jurisdictional Event: [Applicable]/[Not Applicable]
  - (xi) Jurisdictional Event: [●]/[Not Applicable]

Jurisdiction(s):

(xii) Adjustment basis for [Not Applicable]/[In respect of [●] (Specify [Single FX Index]/[FX Index Basket] and Averaging Reference Dates: *applicable date (e.g., Initial Averaging Date, Averaging Date)*):]

*(Repeat as necessary)*

(a) Omission: [Applicable]/[Not Applicable]

(b) Postponement: [Applicable]/[Not Applicable]

(c) Modified Postponement: [Applicable]/[Not Applicable]

(xiii) Base Currency: [●]

(xiv) Reference Currency: [●]

(xv) Number of FX Settlement Days: [●]/[Not Applicable]

(xvi) Additional Disruption Events:

(a) Change in Law: [Applicable]/[Not Applicable]

(b) Hedging Disruption: [Applicable]/[Not Applicable]

(c) Increased Cost of Hedging: [Applicable]/[Not Applicable]

(d) Index Calculation Agent Event: [Applicable]/[Not Applicable]

(e) Index Disruption Event: [Applicable]/[Not Applicable]

(f) Insolvency Disruption Event: [Applicable]/[Not Applicable]

(g) Change of Sponsor: [Applicable]/[Not Applicable]

*(Repeat (i) to (xvi) as necessary where there is more than one FX Index)*

54. Inflation Index-linked Securities: [Applicable]/[Not Applicable]

*(If not applicable, delete the following subparagraphs of this paragraph)*

(i) Inflation Index: [●]

(ii) Related Bond: [●]/[Fallback Bond]/[Not Applicable]

(iii) Fallback Bond: [●]/[Not Applicable]

(iv) End Date: [●]

Form of Final Terms

(v) Daily Inflation Rate: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*

(a) Primary Lag: [●]/[Three months]

(b) Secondary Lag: [●]/[12 months]

*(Repeat (i) to (v) as necessary where there is more than one Inflation Index)*

55. Interest Rate Index-linked Securities: [Applicable]/[Not Applicable]

*(If not applicable, delete the following sub-paragraphs of this paragraph)*

Single Interest Rate Index or Interest Rate Index Basket: [Single Interest Rate Index]/[Interest Rate Index Basket]

(i) Interest Rate Index: [●] *(Specify name of Interest Rate Index)*

(ii) Information Source: [●]

(iii) Maximum Days of Disruption: [[Eight] Scheduled Trading Days as specified in Asset Term 1]/[[●] Scheduled Trading Day[s]]/[Not Applicable]

(iv) Trade Date: [●]/[Not Applicable]

(v) Jurisdictional Event: [Applicable]/[Not Applicable]

(vi) Jurisdictional Event Jurisdiction(s): [●]/[Not Applicable]

(vii) Adjustment basis for [Single Interest Rate Index]/[Interest Rate Index Basket] and Averaging Reference Dates: [Not Applicable]/[In respect of [●] *(Specify applicable date (e.g., Initial Averaging Date, Averaging Date))*];  
*(Repeat as necessary)*

(a) Omission: [Applicable]/[Not Applicable]

(b) Postponement: [Applicable]/[Not Applicable]

(c) Modified Postponement: [Applicable]/[Not Applicable]

(viii) Additional Disruption Events:

(a) Change in Law: [Applicable]/[Not Applicable]

(b) Hedging Disruption: [Applicable]/[Not Applicable]

(c) Increased Cost of Hedging: [Applicable]/[Not Applicable]

*(Repeat (i) to (viii) as necessary where there is more than one*

*Interest Rate Index)*

56. Cash Index-linked Securities: [Applicable]/[Not Applicable]  
*(If not applicable, delete the following sub-paragraphs of this paragraph)*
- (i) Cash Index: [●]  
(ii) Reference Rate: [●]  
(iii) Specified Page: [●]  
(iv) Compounding Dates: [●]  
(v) Initial Compounding Date: [●]  
(vi) Day Count Denominator: [●]/[360]
- (Repeat (i) to (vi) as necessary where there is more than one Cash Index)*
57. Valuation Time: [As determined in accordance with [Equity-linked Securities Asset Term 1]/[Equity Index-linked Securities Asset Term 1]/[ETF-linked Securities Asset Term 1]/[FX-linked Securities Asset Term 1]/[FX Index-linked Securities Asset Term 1]/[Interest Rate Index-linked Securities Asset Term 1]/[Cash Index-linked Securities Asset Term 1]]/[●]/[Not Applicable]  
*(N.B. Not applicable for Commodity, Commodity Index or Inflation Index Underlying Assets as they do not have a Valuation Time)*

**GENERAL PROVISIONS**

58. (i) Form of Securities: *(Insert for Notes)* [Bearer Securities]/[Registered Securities]/[Uncertificated]  
*(Insert for Certificates and Warrants)* Registered Securities
- (ii) Global Security: [Applicable]/[Not Applicable]  
*(If Securities are issued in definitive form or are cleared through Euroclear Finland, Euroclear Sweden or VPS, this paragraph (ii) should be "Not Applicable")*
- (iii) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository: [Applicable]/[Not Applicable]
59. Financial Centre(s): [Not Applicable]/[●] *(Specify financial centre)*  
*(N.B. This item relates to the place of payment, and not Interest Payment Dates)*

Form of Final Terms

60. Listing and Admission to Trading:
- (i) Stock Exchange(s) to which application will initially be made to list the Securities: (Application may subsequently be made to other stock exchange(s)) /[None] (N.B. Only CS can list on the London Stock Exchange) (N.B. Restrictions apply to Securities listed on Borsa Italiana, speak to CS Legal or Middle Office)
- (ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on [the Regulated Market of] the  with effect from  provided, however, no assurance can be given that the Securities will be admitted to trading or listed on [the Regulated Market of] the  on the Issue Date or any specific date thereafter]/[Not Applicable]
61. Security Codes and Ticker Symbols:
- ISIN: /[Not Applicable]
- Common Code: /[Not Applicable]
- Swiss Security Number: /[Not Applicable]
- Telekurs Ticker: /[Not Applicable]
- WKN Number: /[Not Applicable]
62. Clearing and Trading:
- Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme]/[Clearstream Banking AG, Frankfurt]/[Monte Titoli S.p.A.]/[Euroclear Finland]/[Euroclear Sweden]/[VPS]/[CREST]/ [Other]
63. Delivery: Delivery [against]/[free of] payment
- [See further the section entitled "Details of the method and time limits for paying up and delivering the Securities" set out in Part B, item [8] below.] (Insert if required)
64. Agents:
- Calculation Agent: Credit Suisse International  
One Cabot Square  
London E14 4QJ
- [Fiscal Agent]/[Principal Certificate Agent]/[Principal Warrant Agent]: The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL
- Paying Agent(s): The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL

[Nordea Securities Services  
Aleksis Kiven katu 3-5  
Helsinki  
FI-00020 NORDEA  
Finland]

[ING Wholesale Banking / Securities Services  
Location Code BV 05.01  
Van Heenvlietlaan 220  
1083 CN Amsterdam  
The Netherlands]

*(Include where the Securities are to be cleared  
through Euroclear Nederland)*

[Not Applicable]

Additional Agents:

[Applicable]/[Not Applicable]

*(If not applicable, delete the remaining sub-  
paragraphs of this paragraph)*

Transfer Agent:

[Not Applicable]

*(Registered Notes only)*

[The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL]

[The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg]

Registrar:

[Not Applicable]

*(Registered Notes, Certificates and  
Warrants only)*

[The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg]

[Euroclear Finland Oy  
Urho Kekkosen katu 5C  
00100 Helsinki]

[Nordea Bank Norge ASA  
Securities Services – Issuer Services  
Essendrops gate 7  
P.O. Box 1166 Sentrum  
0107 Oslo]

[Euroclear Sweden AB  
Box 191  
SE-101 23 Stockholm]

Issuing Agent:

[Not Applicable]

*(Norwegian issues only)*

[Nordea Bank Norge ASA  
Securities Services – Issuer Services  
Essendrops gate 7]

Form of Final Terms

P.O. Box 1166 Sentrum  
0107 Oslo]

Issuing Agent (*Emissionsinstitut*): [Not Applicable]

(*Swedish issues only*) [Nordea Bank AB (publ)  
Smålandsgatan 24  
SE-105 71 Stockholm  
Sweden]

Issuing Agent: [Not Applicable]

(*Finnish issues only*) [Nordea Securities Services  
Aleksis Kiven katu 3-5  
Helsinki  
FI-00020 NORDEA  
Finland]

(*Delete or add additional Agents as appropriate*)

65. Dealer(s): [Credit Suisse Securities (Europe) Limited]/[Credit Suisse International]

66. Specified newspaper for the purposes of notices to Securityholders: [Not Applicable]/[●]

67. Additional Provisions: [Additional Provisions for [Notes]/[Certificates] listed on Borsa Italiana S.p.A: [Applicable]/[Not Applicable]]

[Renouncement Notice Cut-Off Date: [●]]

[Expiry date (*data di scadenza*) for the purposes of Borsa Italiana S.p.A: [●]] (*Certificates only*)

[Assignment to Qualified Investors only after allocation to public: [Applicable]/[Not Applicable]]

## PART B – OTHER INFORMATION

### Terms and Conditions of the Offer

1. Offer Price:

[The Offer Price will be equal to the Issue Price]/[[●] per cent. of the Aggregate Nominal Amount]/[[●] per Security].

[To be determined on the basis of the prevailing market conditions on or around [●] subject to a maximum of [[●] per cent. of the Aggregate Nominal Amount]/[[●] per Security].]

[Up to [●] per cent. of the Offer Price is represented by a commission payable to the [relevant] Distributor.

See item [11] below for information on applicable fees.]

[Not Applicable]
2. Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:

[Up to] [●]

[To be determined on the basis of the demand for the Securities and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.]

[It is anticipated that the final amount of Securities to be issued on the Issue Date will be notified to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available) on or around the Issue Date. The final amount of Securities will depend on the outcome of the offer.]

[Not Applicable]
3. Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject:

[The offer of the Securities is conditional on their issue.]

[Right to cancel: The offer may be cancelled if the Aggregate Nominal Amount or aggregate number of Securities purchased is less than [●], or if the Issuer or the [relevant] Distributor assesses, at its absolute discretion, that any applicable laws, court rulings, decisions by governmental or other authorities or other similar factors render it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions. In the case of cancellation, unless otherwise specified by the [relevant] Distributor, the [relevant] Distributor will repay the purchase price and any commission paid by any purchaser without interest.]

[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the Issue

Date.]

[For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor will not be entitled to subscribe or otherwise purchase any Securities. The [relevant] Distributor will repay the Offer Price and any commission paid by any investor without interest.]

[The offer will be subject to the above provisions. In case of withdrawal or cancellation, the [relevant] Distributor will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any investor without interest.]

[●]

[Not Applicable]

4. The time period during which the offer will be open ("**Offer Period**"): From, and including, [●] to, and including, [●].

The Offer Period may be discontinued at any time. [Notice of the early closure of the Offer Period will be made to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available). See further the section entitled "Details of the minimum and/or maximum amount of application" set out in item [7] below.]

5. Description of the application process: [Prospective investors may apply to the [relevant] Distributor to subscribe for Securities in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally.]

[Investors will be notified by the [relevant] Distributor of the amount allotted.]

[Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.]

[Not Applicable]

[Purchases from the relevant Distributors can be made by submitting to the relevant Distributor, a form provided by the relevant Distributor, or otherwise as instructed by the relevant Distributor.]

[●]

6. Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]/[Not Applicable]
7. Details of the minimum and/or maximum amount of application: [There is no minimum amount of application.]
- [All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [Allotment of Securities will be managed and coordinated by the [relevant] Distributor subject to the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally. There are no pre-identified allotment criteria. All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [In the event that requests exceed the total amount of the offer, the [relevant] Distributor will close the Offer Period early, pursuant to item [4] above.]
- [The [maximum]/[minimum] number of Securities each individual investor may subscribe for is [●].]
- [Not Applicable]
8. Details of the method and time limits for paying up and delivering the Securities: [Payments for the Securities shall be made to the [relevant] Distributor on [●]/[such date as the [relevant] Distributor may specify] as instructed by the [relevant] Distributor.]
- [Payments for the Securities shall be made to the [relevant] Distributor in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally, as instructed by the [relevant] Distributor.]
- [The Securities are expected to be delivered to the purchasers' respective [book entry securities] accounts on or around [●]/[the date as notified by the [relevant] Distributor].]
- [The Securities will be issued on the Issue Date against payment to the Issuer by the [relevant] Distributor of the aggregate subscription moneys. Each investor will be notified by the [relevant] Distributor of the settlement arrangements in respect of the Securities at the time of such investor's application.]
- [Not Applicable]

Form of Final Terms

9. Manner in and date on which results of the offer are to be made public: [The results of the offer will be published on the [relevant] Distributor's website following the closing of the Offer Period on or around the Issue Date [or, if such website is not available, the results of the offer will be available upon request from the [relevant] Distributor].]
- [●]
- [Not Applicable]
10. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Applicants will be notified by the [relevant] Distributor of the success of their application.] [Dealings in the Securities may begin before such notification is made]/[No dealings in the Securities may take place prior to the Issue Date.]
- [Not Applicable]
- [●]
11. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [The Distributor[s] will charge purchasers a commission of [●]/[up to [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per Security.]
- [The Issuer will pay a fee to the Distributor[s] in connection with the Offer of [●]/[up to [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per Security.]
- [The Securities [will be]/[have been] sold at a discount of [up to] [●] per cent.]
- [The Issuer is not aware of any expenses or taxes specifically charged to the subscriber and not disclosed herein.]
- [Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer will not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.]
- [Not Applicable]
- [●]
12. Name(s) and address(es), to the extent known to the Issuer, of the placers ("**Distributors**") in the various countries where the offer takes place: [●]
- [The Issuer reserves the right to appoint other distributors during the Offer Period. Any such appointment will be communicated to investors by means of a notice published on the Issuer's website: [●].]/[None]
13. [Consent: The Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period

and subject to the conditions, as provided as follows:

- (a) Name and address of Authorised Offeror(s) [Give details]
- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s) [Give details]/[Offer Period]
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s) to make the Offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]

**If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror. Neither the Issuer nor any Dealer has any responsibility or liability for such information.]**

[The Issuer does not consent to the use of the Base Prospectus by any person other than the Dealer.]

**[Fixed Rate Securities only – YIELD**

Indication of yield: [●]

**[Interests of Natural and Legal Persons involved in the [Issue]/[Offer]**

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the [issue]/[offer] of the Securities has an interest material to the [issue]/[offer]. *(Amend as appropriate if there are other interests)*

**[Equity-linked, Equity Index-linked, Commodity-linked, Commodity Index-linked, ETF-linked, FX-linked, FX Index-linked, Inflation Index-linked, Interest Rate Index-linked or Cash Index-linked Securities only – Performance of Share/Index/Commodity/Commodity Index/ETF Share/Fund/FX Rate/FX Index/Inflation Index/Interest Rate Index/Cash Index and other information concerning the Underlying Asset(s)]**

*(Need to include details of where past and future performance and volatility of the Share/Index/Commodity/Commodity Index/ETF Share/FX Rate/FX Index/Inflation Index/Interest Rate Index/Cash Index can be obtained. Where the underlying is an Index need to include the name of the Index and details of where the information about the Index can be obtained. Where the underlying is not an Index need to include equivalent information.)*

*(For Securities listed on Borsa Italiana, ensure the following details are included: Reuters/Bloomberg page (if not indicated elsewhere in the relevant Final Terms), an Italian newspaper and, if available, a website)]*

#### **POST-ISSUANCE INFORMATION**

[●]/[The Issuer will not provide any post-issuance information with respect to the Underlying Asset[s], unless required to do so by applicable law or regulation.]

#### **[REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: [●]

*(See ["Use of Proceeds"] wording in the Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

[(ii) Estimated net proceeds: [●]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

[(iii) Estimated total expenses: [●]

*(Include breakdown of expenses)*

*(If the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]*

#### **[INDEX DISCLAIMER**

[●] *(insert the relevant index disclaimer)*

#### **[Rating**

The Securities have been rated [●] by [●].

*[Include brief explanation of the meaning of the rating if this has previously been published by the rating provider]*

[The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]

Signed on behalf of the Issuer:

By: \_\_\_\_\_

Duly authorised

By: \_\_\_\_\_

Duly authorised

**SUMMARY OF THE SECURITIES**

*[Issue specific summary to be extracted from Summary section of the Base Prospectus with appropriate deletions of non-applicable information and insertion of missing details]*

## CLEARING ARRANGEMENTS

The Securities will be cleared through the clearing system(s) specified in the relevant Final Terms in accordance with the rules and procedures of the relevant clearing system. The International Securities Identification Number (ISIN) and any Common Code, WKN number, Telekurs Ticker and/or other applicable clearing system identification numbers will be specified in the relevant Final Terms.

### Settlement and CREST

If specified in the relevant Final Terms, investors may hold indirect interests in the Securities (such Securities being "**Underlying Securities**") through CREST (being the system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited or any successor thereto in accordance with the United Kingdom Uncertificated Securities Regulations 2001) by holding dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**").

CDIs are independent securities constituted under English law issued, held, settled and transferred through CREST. CDIs are issued by CREST Depository Limited or any successor thereto (the CREST Depository) pursuant to the global deed poll dated 25 June 2001 (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). CDIs are issued by the CREST Depository and held through CREST in dematerialised uncertificated form in accordance with the CREST Deed Poll. CDIs in respect of Underlying Securities will be constituted, issued to investors and transferred pursuant to the terms of the CREST Deed Poll.

CDIs represent indirect interests in the Underlying Securities to which they relate and holders of CDIs will not be the legal owners of the Underlying Securities.

The Issuer will issue Underlying Securities with the intention that indirect interests in such Underlying Securities be held through CDIs. In order to enable the settlement of indirect interest in the relevant Underlying Securities within CREST, investors will need to hold such indirect interests via CDIs. The CDIs will not be offered to the public or admitted to trading on a regulated market.

Following the delivery of the Underlying Securities into a Relevant Clearing System permitted in the CREST Manual, indirect interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing indirect interests in the relevant Underlying Securities. Interests in the Underlying Securities will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants. The CDIs will therefore consist of indirect rights of a CDI holder in, or relating to, the Underlying Securities which are held (through the CREST Nominee) on trust for the benefit of the CDI holder by the CREST Depository and will constitute a record acknowledging that the CREST Nominee holds the Underlying Securities as nominee on behalf of the CREST Depository. The CDIs will be issued once the relevant Underlying Securities are credited to the CREST Nominee's account. It is intended that CDIs will be issued to the relevant CREST participants on or around the Issue Date of the relevant Underlying Securities. However, CDIs may be created at any time following the credit of relevant Underlying Securities to the CREST Nominee's account with Euroclear.

Each CDI will be treated as one Underlying Security, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the Underlying Securities on trust for such CDI holder. Therefore, the holders of CDIs are entitled to the proceeds from the Underlying Securities. If a matter arises that requires a vote of Securityholders, Credit Suisse may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

## Clearing Arrangements

Transfers of interests in Underlying Securities by the CREST Nominee to a participant of the Relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Securities underlying the CDIs to the account of the relevant participant with the Relevant Clearing System. It is expected that the CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on a recognised stock exchange.

The rights of the holders of CDIs will be governed by the arrangements between CREST and the Relevant Clearing System, including the CREST Deed Poll executed by the CREST Depository. These rights may be different from those of holders of Securities which are not represented by CDIs.

The attention of Investors in CDIs is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +44 (0)20 7849 0000 or from the Euroclear UK & Ireland Limited website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).

## THE UNDERLYING ASSETS

The interest and/or repayment terms of certain Securities issued under this Base Prospectus may be linked to movements in one or more of the following underlying assets:

- (a) an equity share;
- (b) an equity index;
- (c) a commodity or a commodity futures contract;
- (d) a commodity index;
- (e) an exchange-traded fund;
- (f) a currency exchange rate;
- (g) a currency exchange rate index;
- (h) an inflation index;
- (i) an interest rate index; or
- (j) a cash index.

Information in relation to Underlying Assets including information about past and future performance, as well as volatility, is available on the websites or from the other sources (each an "**Information Source**") specified in the relevant Final Terms (provided that such Information Sources do not form part of this Base Prospectus or the Terms and Conditions of the Securities) and the values of each Underlying Asset are available on Bloomberg (or other price source) under the code so specified in the relevant Final Terms.

Where the Underlying Asset is a security, the name of the issuer of that security and its International Security Identification Number (ISIN) or other security identification code will be specified in the relevant Final Terms. Where there is more than one Underlying Asset, the relevant weightings of each Underlying Asset will be specified in the relevant Final Terms.

The Securities are not in any way sponsored, endorsed, sold or promoted by any Sponsor and no Sponsor warrants or represents whatsoever, expressly or impliedly, either as to the results to be obtained from the use of any Equity Index, Cash Index, Commodity Index, FX Index, Inflation Index or Interest Rate Index (each as defined in the Asset Terms and each an "**Underlying Index**") and/or the figures at which the relevant Underlying Index stands at any particular time on any particular day or otherwise. No Sponsor or any other person who calculates an Underlying Index on behalf of the relevant Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in that Underlying Index and no Sponsor or any other such person shall be under any obligation to advise any person of any error therein.

All rights to any trademarks relating to each Underlying Index which are vested in the relevant Sponsor are used under licence from that Sponsor.

## **CREDIT SUISSE AG**

### **History, Development and Organisational Structure**

Credit Suisse was established on 5 July 1856 and registered in the Commercial Register (registration no. CH-020.3.923.549-1) of the Canton of Zurich on 27 April 1883 for an unlimited duration under the name *Schweizerische Kreditanstalt*. Credit Suisse's name was changed to Credit Suisse First Boston on 11 December 1996. On 13 May 2005, the Swiss banks Credit Suisse First Boston and Credit Suisse were merged. Credit Suisse First Boston was the surviving legal entity, and its name was changed to Credit Suisse (by entry in the commercial register). On 9 November 2009, Credit Suisse was renamed "Credit Suisse AG".

Credit Suisse AG, a Swiss bank and joint stock corporation established under Swiss law and operating under Swiss law, is a wholly owned subsidiary of Credit Suisse Group AG (the "**Group**"). The registered head office of Credit Suisse AG is in Zurich, and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo.

The registered head office of Credit Suisse AG is located at Paradeplatz 8, CH-8001, Zurich, Switzerland, and its telephone number is 41-44-333-1111.

### **Auditors**

Credit Suisse AG's statutory and bank law auditor is KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland (KPMG). KPMG is a member of the Swiss Institute of Certified Accountants and Tax Consultants.

Credit Suisse AG's special auditor is BDO Visura, Fabrikstrasse 50, 8031 Zurich, Switzerland.

### **Names and Addresses of Directors and Executives**

The business address of the members of the Board of Directors and the members of the Executive Board is Paradeplatz 8, CH-8001, Zurich, Switzerland. A list of names of the members of the Board of Directors and of the Executive Board can be found on pages 161 and 178, respectively, of the Annual Report 2012.

### **Conflicts**

There are no potential conflicts of interest of the members of the Board of Directors, and the members of the Executive Board between their duties to Credit Suisse AG and their private interests and/or other duties.

### **Market Activity**

Credit Suisse AG may update its expectations on market activity, and any such update will be included in its quarterly or annual reports.

### **Legal and Arbitration Proceedings**

Except as disclosed in (i) the Annual Report 2012, under the heading "Litigation" (Note 37 to the consolidated financial statements of the Credit Suisse Group AG on pages 357 to 363 of the Exhibit to the Annual Report 2012) and (ii) the Exhibit to the Form 6-K Dated 8 May 2013 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 144 to 145 of the Exhibit to the Form 6-K Dated 8 May 2013), there are no, and have not been during the period of 12 months ending on the date of this Base Prospectus, governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on Credit Suisse AG's financial position or profitability, and Credit Suisse AG is not aware of any such proceedings being either pending or threatened.

In respect of each of the claims disclosed in the documents at the page references listed in this paragraph, the amount of damages claimed (if specified in the relevant proceeding) and

certain other quantifiable information that is publicly available is disclosed. In addition, a roll forward of Credit Suisse Group AG's aggregate litigation provisions is disclosed in Note 37 to its consolidated financial statements on pages 357 to 363 of the Exhibit to the Annual Report 2012.

The Group's aggregate litigation provisions include estimates of reasonably possible loss or range of loss for proceedings for which such losses are probable and can be reasonably estimated. Credit Suisse does not believe that it can estimate an aggregate range of reasonably possible losses for certain of its proceedings because of the complexity of the proceedings, the novelty of some of the claims, the early stage of the proceedings and limited amount of discovery that has occurred and/or other factors. The Group estimates that the aggregate range of reasonably possible losses that are not covered by existing provisions is zero to CHF 1.7 billion. The Group believes that any potential losses arising from litigation that have not been provided for in the consolidated financial statements, or that have not been quantitatively estimated, are either not material or not estimable.

Credit Suisse AG discloses information about material settlements in its quarterly and annual reports.

### **Interim Financial Information**

The business of Credit Suisse AG, the Swiss bank subsidiary of the Group, is substantially similar to the Group. The Form 6-K Dated 8 May 2013 provides unaudited interim financial information for the Group.

## CREDIT SUISSE INTERNATIONAL

### History, Development and Organisational Structure

Credit Suisse International ("**CSI**") was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990, with registered no. 2500199 and was re-registered as an unlimited company under the name "Credit Suisse Financial Products" on 6 July 1990, and was renamed Credit Suisse First Boston International on 27 March 2000 and Credit Suisse International on 16 January 2006.

CSI's registered office and principal place of business is at One Cabot Square, London E14 4QJ, telephone number +44 (0)20 7888 8888.

CSI is an English bank regulated as an EU credit institution and operates under English law. It is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA under the Financial Services and Markets Act 2000. The PRA has issued a scope of permission notice authorising CSI to carry out specified regulated investment activities.

CSI is an unlimited company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of CSI in the event of its liquidation. The joint, several and unlimited liability of the shareholders of CSI to meet any insufficiency in the assets of CSI will only apply upon liquidation of CSI. Therefore, prior to any liquidation of CSI, the creditors may only have recourse to the assets of CSI and not to those of its shareholders.

CSI has been issued a senior unsecured long-term debt rating of "A (Stable Outlook)" by Standard & Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc.

### Principal Activities and Principal Markets

CSI commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of CSI is to provide comprehensive treasury and risk management derivative product services. CSI has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. The business is managed as a part of the Investment Banking Division of Credit Suisse AG in the Europe, Middle East and Africa region, and is supported by Credit Suisse AG's Shared Services Division, which provides business support services in such areas as finance, legal, compliance, risk management, and information technology.

### Shareholders

Credit Suisse AG owns 80 per cent. and Credit Suisse Group AG owns 20 per cent. of CSI's ordinary voting shares. The former shareholder Credit Suisse (International) Holding AG merged into Credit Suisse AG with Credit Suisse AG as the surviving entity, legally effective 30 June 2010. In accordance with Swiss law, Credit Suisse AG succeeded in the entire property of Credit Suisse (International) Holding AG as a result of the merger including Credit Suisse (International) Holding AG participations in Credit Suisse International. With respect to CSI's participating non-voting shares, Credit Suisse AG owns 25.100 per cent., Credit Suisse Investments (UK), a wholly owned subsidiary of Credit Suisse AG, owns 24.288 per cent., Credit Suisse Group AG owns 2.412 per cent. and Credit Suisse PSL GmbH owns 48.200 per cent.

### Capital Structure

On 6 February 2012 CSI underwent a capital restructuring to enhance the quality of capital by increasing the common equity Tier 1 capital of CSI. This was the first of a number of actions designed to aid compliance with the upcoming capital requirements under Basel 3. A capital reduction of CSI's share capital was effected by a reduction in the nominal value of each

Participating Share and each Ordinary Share from USD 1.00 to USD 0.10 and the cancellation of Class A Participating Shares. The reserve arising from the reduction of the Ordinary and Participating Shares and the cancellation of the Class A Participating Shares was credited to CSi's share premium account. This is an undistributable reserve and will count towards CSi's core tier 1 capital.

CSi repaid certain amounts of principal owed by it under certain subordinated debt agreements treated as Tier 2 debt to each of Credit Suisse First Boston Finance BV ("**CSF BV**"), Credit Suisse PSL GmbH ("**CS PSL**") and Credit Suisse First Boston (Cayman) Limited ("**CS Cayman**"). CSi repaid the amount of Tier 2 debt due to CS PSL by applying it as subscription monies due to CSi in return for new Participating Shares. In the case of the CSF BV and CS Cayman debt agreements, an amount equivalent to the amount repaid was applied by Credit Suisse Investments (UK) ("**CSI UK**") and CS PSL as subscription monies for new Participating Shares. The new Participating Shares issued in place of the debt will also count towards CSi's core Tier 1 capital.

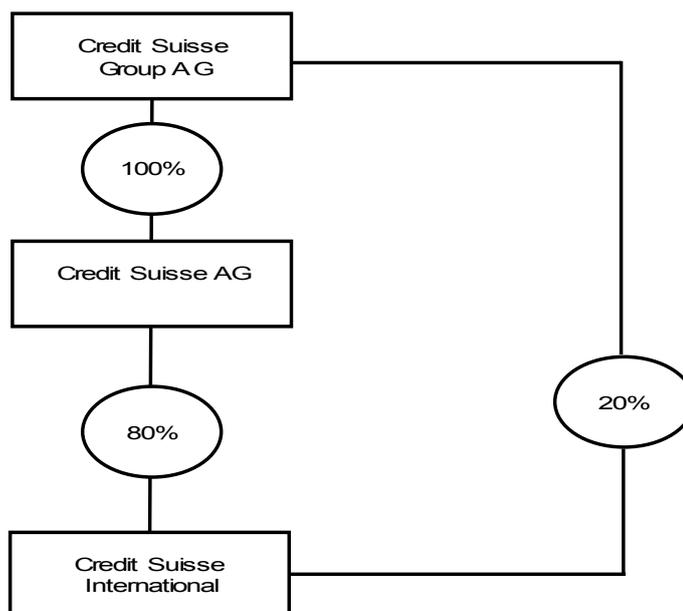
CSi replaced each of the issued classes of Preference Shares (Class A, C, D, E, H, I, J, K) with Participating Shares. This was effected by a reduction of the nominal value of each of the Preference Shares to USD 0.000001 and then a reduction to zero and a cancellation of all classes of Preference Shares, with the reserves being credited to CSi's share premium account and then capitalised to pay up bonus issues of new Class B Participating Shares which were then converted into Participating Shares. CSi created the Class B Participating Shares to rank *pari passu* with and having the same rights and obligation as the existing class of Participating Shares in the capital of CSi for the purpose of the reduction and cancellation of the Preference Share classes. The subscriptions for the Class B Participating Shares which were subsequently converted into Participating Shares and the new Participating Shares were done at a price comprising nominal value plus premium, calculated on the basis of a fair value per share (Fair Value Price). The valuation of the Fair Value Price was carried out by Credit Suisse Treasury New York on 6 February 2012.

On 29 February 2012 CSi issued 555,555,555 Participating Shares of USD 0.10 each to Credit Suisse Investments (UK) for consideration of USD 500,000,000.

On 13 August 2012 CSi issued 48,769,195 Participating Shares of USD 0.10 each to Credit Suisse Group AG for consideration of USD 4,876,920; 507,435,457 Participating Shares of USD 0.10 each to Credit Suisse AG for consideration of USD 50,743,546; 974,436,803 Participating Shares of USD 0.10 each to Credit Suisse PSL GmbH for consideration of USD 97,443,680; and 491,017,064 Participating Shares of USD 0.10 each to Credit Suisse Investments (UK) for consideration of USD 49,101,706.

On 6 November 2012 CSi issued 361,850,396 Participating Shares of USD 0.10 each to Credit Suisse Group AG for consideration of USD 36,185,039.60; 3,764,993,831 Participating Shares of USD 0.10 each to Credit Suisse AG for consideration of USD 376,499,383.10; 7,229,980,682 Participating Shares of USD 0.10 each to Credit Suisse PSL GmbH for consideration of USD 722,998,068.20; and 3,643,175,091 Participating Shares of USD 0.10 each to Credit Suisse Investments (UK) for consideration of USD 364,317,509.10.

Information on the Shareholders is provided in "Shareholders of Credit Suisse International – Overview" below. A summary organisational chart, showing the ownership of the voting interests in CSi, is set out below.



### Directors and Management

The members of the Board of Directors of CSI and their principal outside occupations are set out below. There are no potential conflicts of interests between any duties to CSI of the below members of the Board of Directors and their private interests and / or other duties. The business address of each member of the Board of Directors is One Cabot Square, London E14 4QJ.

<u>Name</u>	<u>Principal Outside Occupation</u>
Noreen Doyle <i>Non Executive Chairman</i>	Independent member of the Board of Directors and of the Risk Committee of Credit Suisse Group AG. In addition, Ms. Doyle currently serves on the Boards of Directors of the Newmont Mining Corporation, of QinetiQ Group Plc. and of Rexam Plc. She is also a member of the Advisory Panel of the Macquarie European Infrastructure Fund and the Macquarie Renaissance Infrastructure Fund.
Tobias Guldemann	Chief Risk Officer of Credit Suisse Group AG and Credit Suisse AG and a member of the Executive Board of Credit Suisse Group AG.
Eric Varvel	Head of Equities and Investment Banking - Investment Banking Division and CEO Region Asia Pacific. Member of the Executive Board of Credit Suisse Group and Credit Suisse.
James Leigh-Pemberton	Managing Director and Chief Executive Officer of Credit Suisse in the United Kingdom. He is a member of the EMEA Operating Committee.
Stephen Kingsley <i>Non Executive</i>	Senior Managing Director at FTI Consulting Limited in London.
Chris Carpmael <i>CFO</i>	Managing Director and Chief Finance Officer (CFO) for EMEA. He is a member of the EMEA Operating Committee and the CFO Executive Committee.

<p>Gaël de Boissard <i>CEO</i></p>	<p>Head Fixed Income - Investment Banking Division and CEO Region Europe, Middle East and Africa (EMEA). Member of the Executive Board of Credit Suisse Group AG and Credit Suisse AG.</p>
<p>Michael Hodgson <i>Deputy CEO</i></p>	<p>Managing Director in the Investment Banking Division of Credit Suisse and Deputy CEO.</p>

## Shareholders of Credit Suisse International - Overview

### 1. Credit Suisse Group AG

Credit Suisse Group AG, whose head office is at Paradeplatz 8, CH-8070 Zürich, Switzerland, is the ultimate parent of the consolidated Credit Suisse Group AG which includes Credit Suisse AG, a global financial services company domiciled in Switzerland and active in all major financial centres, providing a comprehensive range of banking products as described under section 2 below.

### 2. Credit Suisse AG

Credit Suisse AG is a Swiss bank and a leading global bank with its registered head office at Paradeplatz 8, CH-8070 Zürich, Switzerland. Credit Suisse AG provides its clients with private banking, investment banking and asset management services worldwide. Credit Suisse AG offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse AG is active in over 50 countries and employs approximately 46,700 people. Credit Suisse AG is comprised of a number of legal entities around the world and is headquartered in Zurich. The registered shares (CSGN) of Credit Suisse AG's parent company, Credit Suisse Group AG, are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse AG can be found at [www.credit-suisse.com](http://www.credit-suisse.com).

Credit Suisse AG is structured along three lines of business. In its Investment Banking business, Credit Suisse AG offers securities products and financial advisory services to users and suppliers of capital around the world. Operating in 57 locations across 30 countries, Credit Suisse AG is active across the full spectrum of financial services products including debt and equity underwriting, sales and trading, mergers and acquisitions, investment research, and correspondent and prime brokerage services.

In Private Banking, Credit Suisse AG provides comprehensive advice and a broad range of investment products and services tailored to the complex needs of high-net-worth individuals globally. Wealth management solutions include tax planning; pension planning; life insurance solutions; wealth and inheritance advice, trusts and foundations. In Switzerland, Credit Suisse AG supplies banking products and services to private banking clients as well as to business and retail clients.

In its Asset Management business, Credit Suisse AG offers products across a broad spectrum of investment classes, including alternative investments such as private equity, hedge funds, real estate and credit, as well as multi asset class solutions, which include equities and fixed income products. Credit Suisse AG's Asset Management business manages portfolios, mutual funds, and other investment vehicles for a broad spectrum of clients ranging from governments, institutions and corporations to private individuals. With offices focused on asset management in 21 countries, Credit Suisse AG's Asset Management business is operated as a globally integrated network to deliver the bank's best investment ideas and capabilities to clients around the world.

**3. Credit Suisse PSL GmbH (non voting)**

Credit Suisse PSL GmbH, whose registered office is c/o Credit Suisse AG, Paradeplatz 8, 8001 Zurich, Switzerland, was incorporated in Zurich, Switzerland on 29 September 2009. Its principal activity is to finance, purchase, hold, manage and sell financial participations in other Credit Suisse Group companies. Credit Suisse PSL GmbH is wholly owned by Credit Suisse AG.

**4. Credit Suisse Investments (UK) (non voting)**

Credit Suisse Investments (UK) whose registered office is One Cabot Square, London E14 4QJ, was incorporated in England on 17 June 1998. Its principal activity is to act as a holding company. Credit Suisse Investments (UK) is wholly owned by Credit Suisse AG.

**Financial Information**

Financial information relating to CSi is contained in its Annual Reports for the years ended 31 December 2011 and 31 December 2012 ("**CSi Annual Reports**") which are incorporated by reference in this Base Prospectus. Financial information in the CSi Annual Reports has been audited. CSi's Annual Reports are available to the public on the Credit Suisse Group AG website at [www.credit-suisse.com/investment\\_banking/financial\\_regulatory/en/international.jsp](http://www.credit-suisse.com/investment_banking/financial_regulatory/en/international.jsp).

**Auditors and Accounts**

The financial year of CSi is the calendar year. CSi's auditors are KPMG Audit Plc, whose address is One Canada Square, London E14 5AG. KPMG Audit Plc is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

## TAXATION

The following is a summary of the withholding tax position (and, in the case of Switzerland, other tax issues) in respect of payments of the income from the Securities by the relevant Issuer (or an agent appointed by it) in accordance with the terms and conditions of such Securities ("**Relevant Payments**"). It is limited to the country of incorporation of the relevant Issuer and those countries in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Prospectus ("**Relevant Taxing Jurisdictions**").

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by the relevant Issuer or by an agent appointed by such Issuer will be subject to any applicable withholding taxes. However, as at the date hereof, no such taxes would be applicable in respect of any Relevant Payments in any Relevant Taxing Jurisdiction, except as specified below in relation to the countries so specified.

### UNITED STATES TAX CONSIDERATIONS FOR INVESTORS

#### Substitute Dividend and Dividend Equivalent Payments

Recently issued proposed and temporary United States Treasury regulations treat a "dividend equivalent" payment as a dividend from sources within the United States. Unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the United States Internal Revenue Service to be substantially similar to a payment described in the preceding clauses (i) and (ii). Proposed regulations provide criteria for determining whether a notional principal contract will be a specified notional principal contract, effective for payments made after December 31, 2013.

Proposed regulations address whether a payment is a dividend equivalent. The proposed regulations provide that an equity-linked instrument that provides for a payment that is a substantially similar payment is treated as a notional principal contract for these purposes. An equity-linked instrument is a financial instrument or combination of financial instruments that references one or more underlying securities to determine its value, including a futures contract, forward contract, option, or other contractual arrangement. The proposed regulations consider any payment, including the payment of the purchase price or an adjustment to the purchase price, to be a substantially similar payment (and, therefore, a dividend equivalent payment) if made pursuant to an equity-linked instrument that is contingent upon or determined by reference to a dividend (including payments pursuant to a redemption of stock that gives rise to a dividend) from sources within the United States. The rules for equity-linked instruments under the proposed regulations will be effective for payments made after the rules are finalised. Where the securities reference an interest in a fixed basket of securities or a "customised index", each security or component of such basket or customised index is treated as an underlying security in a separate notional principal contract for purposes of determining whether such notional principal contract is a specified notional principal contract or an amount received is a substantially similar payment.

We will treat any portion of a payment or deemed payment on the securities that is substantially similar to a dividend as a dividend equivalent payment, which will be subject to U.S. withholding tax unless reduced by an applicable tax treaty and a properly executed Internal Revenue Service Form W-8 (or other qualifying documentation) is provided. Investors

should consult their tax advisors regarding whether payments or deemed payments on the securities constitute dividend equivalent payments.

### **Securities Held Through Foreign Entities**

Under the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act ("**FATCA**") and recently finalised regulations, a 30 per cent. withholding tax is imposed on "withholdable payments" and certain "passthru payments" made to "foreign financial institutions" (as defined in the regulations or an applicable intergovernmental agreement) (and their more than 50 per cent. affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution's affiliates) and to annually report certain information about such account. The term "withholdable payments" generally includes (1) payments of fixed or determinable annual or periodical gains, profits, and income ("**FDAP**"), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. "Passthru payments" means any withholdable payment and any foreign passthru payment. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30 per cent. We will treat payments on the securities as withholdable payments for these purposes.

Withholding under FATCA will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity.

Pursuant to the recently finalised regulations described above and subject to the exceptions described below, FATCA's withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above) made after December 31, 2013 (other than certain payments made with respect to a "pre-existing obligation," as defined in the regulations); (ii) payments of gross proceeds of the type described above with respect to a sale or disposition occurring after December 31, 2016; and (iii) foreign passthru payments made after the later of December 31, 2016, or six months after the date that final regulations defining the term "foreign passthru payment" are published. Notwithstanding the foregoing, the provisions of FATCA discussed above generally will not apply to (a) any obligation (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that is outstanding on January 1, 2014 (a "grandfathered obligation"); (b) any obligation that produces withholdable payments solely because the obligation is treated as giving rise to a dividend equivalent pursuant to Code section 871(m) and the regulations thereunder that is outstanding at any point prior to six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents; and (c) any agreement requiring a secured party to make payments with respect to collateral securing one or more grandfathered obligations (even if the collateral is not itself a grandfathered obligation). Thus, if you hold your securities through a foreign financial institution or foreign entity, a portion of any of your payments made after December 31, 2013, may be subject to 30 per cent. withholding.

## EU SAVINGS DIRECTIVE

Under EU Savings Directive, each Member State is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however for a transitional period, Austria and Luxembourg will instead operate a withholding system in relation to such payments, unless the beneficiary of the interest payments elects for the exchange of information. The end of this transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries. Luxembourg has announced that it will cease to withhold from 1 January 2015 and will instead provide the required information.

A number of non-EU countries, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain Member States ("**Dependent and Associated Territories**"), have adopted similar measures in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in another Member State, or certain Third Country or Dependent and Associated Territories.

Investors should note that the European Commission adopted an amending proposal to the Directive, which, among other changes, seeks to extend the application of the Directive to (i) payments channelled through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisers.

## SWITZERLAND

The following statements and discussions of certain Swiss tax considerations relevant to the purchase, ownership and disposition of Securities are of a general nature only and do not address every potential tax consequence of an investment in Securities under Swiss law. This summary is based on treaties, laws, regulations, rulings and decisions currently in effect, all of which are subject to change. **It does not address the tax consequences of the Securities in any jurisdiction other than Switzerland.** Potential investors will therefore need to consult their own tax advisers to determine the special tax consequences of the receipt, ownership and sale or other disposition of a Security.

Tax treatment depends on the individual tax situation of each investor and may be subject to change.

The Securityholders shall assume and be responsible to the proper governmental or regulatory authority for any and all taxes of any jurisdiction or governmental or regulatory authority, including without limitation, any state or local taxes, transfer taxes or fees, occupation taxes or other like assessments or charges that may be applicable to any payment delivered to them by the Issuer hereunder or applicable to the transactions covered hereby. The Issuer shall have the right, but not the duty, to withhold from any amounts otherwise payable to a Securityholder such amount as is necessary for the payment of any such taxes, fees, assessments or charges.

### Swiss Withholding Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, payments in respect of the Securities and repayment of principal of the Securities by the Issuer acting through one of its branches outside of Switzerland should not be subject to Swiss withholding tax provided that the Issuer uses the proceeds outside of Switzerland.

### **Swiss Value Added Tax ("VAT")**

The issue, transfer (i.e., through a sale or a purchase), exercise or redemption of Securities or any income derived therefrom will normally not be subject to Swiss VAT. However, any respective input VAT will correspondingly not be recoverable.

### **Issue Stamp Tax and Securities Transfer Stamp Tax**

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, the issue of Securities is not subject to Issue Stamp Tax and Securities Transfer Stamp Tax. The Securities Transfer Stamp Tax is applicable to Securities which, due to specific features, are considered financing instruments, share-like or fund-like products for purposes of Swiss tax law. In this case, a Securities Transfer Stamp Tax of up to 0.3 per cent. of the consideration could be due on secondary market transactions in Securities, if a Swiss securities dealer (*Effekthändler*), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties (*Stempelabgabengesetz*), is a party to the transaction or acts as an intermediary thereto. This applies likewise for primary market transaction of fund-like instruments which are not issued out of Switzerland.

If, upon the exercise or redemption of a Security, an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax of up to 0.15 per cent. in the case of an underlying security which has been issued by a Swiss resident issuer and of up to 0.3 per cent. in the case of an underlying security which has been issued by a non-Swiss issuer, provided in both cases that a Swiss securities dealer is a party to the transaction or acts as an intermediary thereto. Certain exemptions may, *inter alia*, apply with regard to institutional investors such as mutual funds, non-Swiss listed companies and their non-Swiss subsidiaries, non-Swiss life insurance companies and non-Swiss social security institutions.

### **Income Taxation of Non-Swiss tax resident Investors**

Under present Swiss tax law, payments of interest on the Securities and repayment of principal of the Securities to a holder who is a non-resident of Switzerland and who, during the taxation year has not engaged in a trade or business through a permanent establishment within Switzerland and who is not subject to income taxation in Switzerland for any other reason will not be liable to Swiss federal, cantonal or communal income taxation. Such an investor that is not a tax resident in Switzerland, will also not be liable to Swiss federal, cantonal or communal income taxation on gains realised during the taxation year on the sale or redemption of a Security.

### **Income Taxation of Securities held by Swiss tax resident Individuals as part of Private Property**

Gains or losses realised upon a sale or other disposition by individuals holding a Security as part of their private property (private capital gain) are as a rule not subject to income taxation or are not deductible from taxable income respectively. This applies likewise to option premium received or paid by the holder of a Security that is treated for Swiss tax purposes as a transparent structured product consisting of part debt and part option.

Capital gains may, however, be subject to income taxation if a Security or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield on which is paid in the form of a one-time payment (*überwiegende Einmalverzinsung*). Losses arising from such bonds may be deducted from gains recognised from similar instruments during the same tax period.

Income derived from a Security, which is neither a private capital gain, as set out above nor a repayment of paid in capital (or face value in the case of share-like instruments) nor an option premium is as a rule subject to tax. This applies, *inter alia*, to any issuance discount, repayment premium, other guaranteed payments (except repayment of capital or option premium) or any combination thereof. Payments or credits received by a holder because of dividends, interest etc. of the underlying may be subject to income tax for such holder. This may apply likewise to payments or credits derived from underlying funds.

### **Income Taxation of Securities held by Swiss tax resident Individuals or Entities as part of Business Property**

Income realised and losses justified by business reasons incurred on Securities as part of the business property of individuals (including deemed securities dealers due to frequent dealing, debt financing or similar criteria; so called *Wertschriftenhändler*) or entities resident in Switzerland are included in the taxable income or may be deducted from the taxable income, respectively, of such person or entity.

European Union Directive on the Taxation of Savings Income, Swiss Agreement: The European Union ("EU") adopted a directive on the taxation of savings income in the form of interest payments (European Directive 2003/48/EC of 3 June 2003) (the "**Directive**"). The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. A number of third countries and territories, including Switzerland, have adopted similar measures to the Directive. On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopted measures equivalent to those of the Directive.

On the basis of this Agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid in Switzerland by a paying agent to an individual resident in an EU Member State ("**EU Withholding Tax**"). The rate of withholding is currently 35 per cent. with the option for such an individual to authorise the paying agent to disclose details of the payments to the tax authorities of the relevant Member State in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding in its country of residence, if any, provided that certain conditions are met.

### **UNITED KINGDOM**

The following statements are by way of a general guide only to holders of Securities. They are not exhaustive and do not constitute tax advice. Holders of Securities are therefore advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Securities under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The information below relates only to United Kingdom taxation and is applicable to United Kingdom residents who are the beneficial owners of Securities and hold the Securities as an investment, and does not apply to other categories of taxpayers such as dealers in shares and securities. It is based on United Kingdom tax law and HM Revenue and Customs ("**HMRC**") published practice at the date of this Base Prospectus. The United Kingdom tax treatment of prospective holders of Securities depends on their individual circumstances and may be subject to change in the future. Anyone who is unsure of their tax treatment in relation to Securities should seek independent professional advice.

The following paragraphs are written on the assumption that the holders of the CDIs are, for United Kingdom tax purposes, absolutely beneficially entitled to the Underlying Securities and to any payments on the Underlying Securities. In the following paragraphs, references to "Securities" should be taken to include references to "interests in Securities held through CDIs", and references to "Securityholders" should be taken to include references to "holders of CDIs".

### **Withholding taxes**

Provided that the relevant Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**Act**"), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, CS, acting through its London Branch, or CSi, as the case may be, will be entitled to make payments of

## Taxation

interest under the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without withholding or deduction for or on account of United Kingdom income tax if the Securities are listed on a "recognised stock exchange" within the meaning of section 1005 of the Act.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Securities is paid to a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue & Customs have not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where the maturity of the Securities is less than 365 days and which are not issued under arrangements the effect of which is to render such Securities as part of a borrowing with a total period of a year or more.

In other cases, an amount must generally be withheld from payments of interest on the Securities issued by CS, acting through its London Branch, or CSi, as the case may be, on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Securityholder, HM Revenue & Customs can issue a notice to the relevant Issuer to pay interest to the Securityholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Securityholders who are individuals may wish to note that HM Revenue & Customs have power to obtain information (including the name and address of the beneficial owner of the interest) from certain persons including any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. HM Revenue & Customs also have power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to, or receives such amounts for the benefit of, an individual, however, in relation to amounts payable on redemption of such Securities, HM Revenue & Customs' published practice indicates HM Revenue & Customs will not generally exercise its power to obtain information where such amounts are paid or received before 6 April 2014. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of certain other jurisdictions.

### **United Kingdom Corporation Tax Payers**

The United Kingdom taxation treatment of a Securityholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Securities in the Securityholder's hands, including, in particular, whether or not the Securities are bifurcated into a host contract and an "embedded derivative" as an accounting matter. The accounting treatment will also affect the tax treatment of a disposal of the Securities (including a disposal occurring on redemption of the Underlying Securities).

Securityholders within the charge to United Kingdom corporation tax should consult their own accounting and tax advisers concerning their tax liabilities that may arise as a result of holding the Securities, or as a result of the disposal of the Securities.

### **Other United Kingdom Tax Payers**

#### ***Taxation of Chargeable Gains***

The Securities should fall within the definition of "excluded indexed securities" in section 433 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005). As such, the Securities should not constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 (TCGA 1992) and an individual United Kingdom tax resident Securityholder who holds Securities as an investment should be subject to capital gains tax (CGT) on any capital gains arising from the disposal of the Securities.

The principal factors which will determine the extent to which a capital gain arising from the disposal of Securities will be subject to CGT are the level of the annual allowance of tax-free capital gains in the tax year in which the disposal takes place (the annual exemption), the extent to which the Securityholder realises any other capital gains in that year and the extent to which the Securityholder has incurred capital losses in that or any earlier tax year.

The annual exemption is £10,900 for the 2013/2014 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the consumer prices index.

Securityholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the consumer prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

For the purposes of illustration only, the various reliefs and allowances mentioned above could interact in respect of a Securityholder who realises a capital gain (the "**relevant capital gain**") on a disposal of Securities in a particular tax year (the "**year of disposal**") as follows:

- (a) If the Securityholder has incurred no capital losses in the year of disposal and has no unrelieved capital losses from any previous tax year, he or she will be subject to CGT if and to the extent that the relevant capital gain plus any other capital gains realised by him in the year of disposal exceed the annual exemption for that year.
- (b) If the Securityholder has incurred capital losses in the year of disposal but has no unrelieved capital losses from any previous tax year, those losses can be set off against the relevant capital gain and against any other capital gains realised by him in the year of disposal. To the extent that those losses are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal CGT will be payable by the Securityholder if and to the extent that the net capital gains exceed the annual exemption for that year.
- (c) Where either the Securityholder has incurred no capital losses in the year of disposal or any capital losses so incurred are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal, but the Securityholder has incurred unrelieved capital losses in some previous tax year(s), those losses can be set off against the net capital gains realised by the Securityholder in the year of disposal to the extent that it is necessary to reduce those net capital gains to the level of the annual exemption for that year (and therefore to the level where no CGT will be payable by the Securityholder for that tax year). If the unrelieved capital losses from the previous tax year(s) are insufficient to reduce the Securityholder's net capital gains for the year of disposal to the level of the annual exemption for that year, CGT will be payable by the Securityholder if and to the extent that the capital gains exceed the annual exemption for the year of disposal.

Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is set at £32,010 for the 2013/2014 tax year), CGT will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent. The rate or rates at which CGT is charged will therefore depend on the level of the Securityholder's taxable income and gains in the relevant tax year.

A prospective Securityholder should only expect to be treated as holding the Securities as an investment (subject to CGT and with the benefit of the annual exemption) if he or she intends

## Taxation

to hold them for the medium to longer term and not to dispose of them in the short term for profit.

### ***Individual Savings Accounts***

The CDIs should qualify for inclusion within a stocks and shares ISA provided that:

- (a) the terms of the Underlying Securities do not require the underlying loan to be repaid or the Underlying Securities to be redeemed or repurchased within the period of 5 years from the date on which the CDIs are first held in the stocks and shares ISA; and
- (b) the terms of the Underlying Securities do not allow the holder of the Underlying Securities to require the underlying loan to be repaid or the Underlying Securities to be redeemed or repurchased within the period of 5 years from the date on which the CDIs are first held in the stocks and shares ISA except in circumstances which are neither likely nor certain to occur.

The CDIs would not qualify for inclusion within a cash ISA.

United Kingdom tax resident holders of Securities who acquire their investment in the Securities through an ISA and who satisfy the requirements for tax exemption in the Individual Savings Account Regulations 1998 will not be subject to either United Kingdom income tax or United Kingdom capital gains tax on income and gains realised from their Securities and any losses on their investment will be disregarded for the purposes of United Kingdom capital gains tax.

Individual investors who are considering investing in Securities which may provide capital growth and who are considering holding such Securities within an ISA may wish to consider whether it may be more beneficial for them to hold such Securities as a direct investment outside an ISA (leaving them free to invest in an income producing asset for inclusion in an ISA). This will depend on an investor's individual circumstances, including the availability of the capital gains tax annual exemption which may significantly reduce the amount of tax payable on capital gains. It may be more appropriate for some investors to hold an income generating investment within their ISA and assets generating capital gains as a direct investment so that, overall, less tax is paid on income and capital gains.

### ***United Kingdom Self-Invested Personal Pensions (SIPP) and Small Self-Administered Schemes (SSAS)***

The Securities should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Securityholders. Securityholders should obtain independent advice in relation to the tax treatment of Securities held within a SIPP or SSAS.

## **Other United Kingdom tax considerations**

### ***Transfer of Assets Abroad***

The attention of individual Securityholders who are resident in the United Kingdom is drawn to the provisions of sections 714 to 751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the Transfer of Assets Abroad Legislation). Under sections 714 to 751 of ITA 2007, the income accruing to an Issuer may be attributed to such a Securityholder and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the Securityholder. However, under section 737 of ITA 2007, sections 714 to 751 ITA of 2007 will not apply if the Securityholder can satisfy HMRC that either:

- (a) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding a liability to United Kingdom taxation was the purpose or one of the purposes for which an investment in the Securities or any "associated operations" within the meaning of section 719 of ITA 2007 (together, the Security Transactions) was effected; or

- (b) the Security Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Security Transactions was designed, more than incidentally, for the purpose of avoiding United Kingdom taxation.

Sections 737 and 738 of ITA 2007 provide that, in interpreting these provisions:

- (a) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Security Transactions or provides advice in relation to any of the Security Transactions would have to be taken into account in determining the purposes for which the Security Transactions were effected;
- (b) for the purposes of (b) above, a Security Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (c) the making and managing of investments, or the making or managing of investments, can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

### ***Transactions in securities***

The attention of Securityholders who are corporation tax payers is drawn to the provisions of sections 731 to 751 CTA 2010. Securityholders who are income tax payers should have regard to sections 682 to 713 of ITA 2007. These provisions could potentially apply to counteract United Kingdom tax advantages arising to a Securityholder but the provisions will not apply provided the Securityholder can demonstrate that:

- (a) in the case of a Securityholder who is a corporation tax payer:
- (i) its investment in the Securities was made for genuine commercial reasons or in the ordinary course of making or managing investments, and
- (ii) the main object or one of the main objects of the investment in the Securities was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;
- (b) in the case of a Securityholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Securities was to obtain an income tax advantage within the meaning of sections 687 of ITA 2007.

### ***Restrictions on allowable losses***

The attention of Securityholders is drawn to section 16A of TCGA 1992. This provision could potentially prevent Securityholders from claiming an allowable loss in respect of a disposal of their Securities if the main purpose or one of the main purposes connected with their investment and/or disposal of the Securities was to secure a tax advantage within the meaning of section 16A(2) of TCGA 1992.

### **Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

So long as the underlying Securities are listed on the Official List of the London Stock Exchange, no United Kingdom stamp duty or SDRT is payable on the issue of CDIs or on a transfer of CDIs within CREST where no written instrument is used to effect such transfer.

### **BAHAMAS**

Payments made by CS, acting through its Nassau Branch, will not be subject to any withholding tax on account of Bahamian taxes.

## **BELGIUM**

The following is a summary of the principal Belgian tax considerations with respect to the holding of Securities obtained by a Belgian investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Securities. In some cases, different rules can be applicable.

This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Unless otherwise stated herein, this summary does not describe the tax consequences for a holder of Securities that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Securities or any tax consequences after the moment of exercise, settlement or redemption.

Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

### **Belgian tax regime regarding Notes and Certificates**

#### **Withholding tax and income tax treatment**

##### ***Tax treatment of Belgian resident individuals***

Individuals who are Belgian residents for tax purposes, i.e., individuals subject to the Belgian individual income tax (*Personenbelasting/Impôt des personnes physiques*) and who hold Notes or Certificates as a private investment, are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates. Other tax rules apply to Belgian resident individuals holding Notes and Certificates not as a private investment but in the framework of their professional activity.

The following amounts are treated as interest for Belgian withholding tax purposes: (i) periodic interest income, (ii) any amount paid by the relevant Issuer in excess of the issue price, and (iii) if the debt securities qualify as fixed income securities in the meaning of article 2, §1, 8° of the Belgian Income Tax Code, in case of a realisation of the debt securities prior to repurchase or redemption by the relevant Issuer, the income equal to the pro rata of accrued interest corresponding to the detention period (a debt security will be a fixed income security if there is a causal link between the amount of interest income and the detention period of the security, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the security during its lifetime).

Payments of interest on Notes and Certificates which qualify as interest (as defined above) and which are made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax (calculated on the interest received after deduction of any non-Belgian withholding taxes).

The Belgian withholding tax constitutes in principle the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes and Certificates in their personal income tax return, provided the withholding tax was effectively levied on such interest payments, save where declaring the interest and crediting the withholding tax would be more beneficial.

If the interest is paid outside of Belgium, i.e., without the intervention of a financial intermediary established in Belgium, the interest received on Notes and Certificates (after deduction of any non-Belgian withholding tax) must however be declared in the personal income tax return of the holder and will in principle be taxed at a flat rate of 25 per cent. plus communal surcharges. However, no such communal surcharges will be due with respect to interest on Notes and Certificates issued by CSi or by CS acting through its London branch.

Capital gains realised upon the sale of Notes and Certificates are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless and to the extent that the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

#### ***Tax treatment of Belgian resident corporations***

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Interest derived by Belgian corporate investors on the Notes and Certificates and capital gains realised on Notes and Certificates will be subject to Belgian corporate income tax at the ordinary rate of 33.99 per cent. Capital losses are in principle tax-deductible.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals") on Notes and Certificates made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, interest from bonds and similar securities can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

#### ***Tax treatment of a Belgian Organisation for Financing Pensions***

Belgian pension fund entities that have the form of an Organisation for Financing Pensions ("**OFP**") are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Interest derived from and capital gains realised on Notes and Certificates will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions. Capital losses on the Notes and Certificates are in principle not tax deductible.

#### ***Tax treatment of other Belgian legal entities***

Legal entities that are Belgian residents for tax purposes, i.e., that are subject to the Belgian tax on legal entities (*Rechtspersonenbelasting/Impôt des personnes morales*) are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals") on Notes and Certificates made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e., without the intervention of a financial intermediary in Belgium, the legal entity itself is liable for the payment of the Belgian 25 per cent. withholding tax.

Capital gains realised on the sale of Notes and Certificates are in principle tax exempt, unless and to the extent that the capital gain qualifies as interest (as defined in the section "Tax treatment of Belgian resident individuals"). Capital losses on Notes and Certificates are in principle not tax deductible.

#### ***Tax treatment of non-resident investors***

The interest income on Notes and Certificates paid to a Belgian non-resident outside of Belgium, i.e., without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax.

## Taxation

Interest (as defined in the section "Tax treatment of Belgian resident individuals") on Notes and Certificates paid through a Belgian intermediary will in principle be subject to a 25 per cent. Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident holders that have not allocated the Notes or the Certificates to business activities in Belgium can also obtain an exemption from Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock exchange company or a licensed Belgian clearing or settlement institution and provided that the non-resident (i) is the owner or usufructuror of the Notes or Certificates, (ii) has not allocated the Notes or Certificates to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

Non-resident holders using Notes or Certificates to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above).

Non-resident holders who do not allocate the Notes or the Certificates to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax. However, such non-residents may still be liable to Belgian income tax on capital gains realized on the Notes or the Certificates, if the following three conditions are cumulatively met, i.e., (i) the capital gain would have been taxable if the investor were a Belgian tax resident, (ii) the capital gain is realized upon a transfer of the Notes or the Certificates to a Belgian resident individual, company or other (legal) entity with registered office or principal place of business in Belgium, a Belgian public authority or a Belgian establishment of a non-resident and (iii) the capital gain is taxable in Belgium pursuant to an applicable bilateral tax treaty or, in the absence thereof, where the investor does not bring evidence that the capital gain has been effectively taxed in his state of residence.

### ***Stock exchange tax and tax on repurchase transactions***

A stock exchange tax will be levied on the purchase and sale in Belgium of Notes and Certificates on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is in principle 0.25 per cent., with a maximum amount of EUR 740 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A tax on repurchase transactions (*taxe sur les reports*) at the rate of 0.085 per cent. subject to a maximum of EUR 740 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional investors, as defined in Articles 126-1.2° and 139 of the Code of various duties and taxes (*Code des droits et taxes divers*).

### **EU Savings Directive**

#### ***Individuals not resident in Belgium***

A Belgian paying agent within the meaning of the EU Savings Directive will enable exchange of information with the country of tax residence of the beneficial owner regarding interest payments as defined by the EU Savings Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in Switzerland, Liechtenstein, Andorra, Monaco, San Marino or in one of the so-called Dependent and Associated Territories. Residual entities (in the meaning of the EU Savings Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent,

the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of an affidavit.

### ***Individuals resident in Belgium***

An individual resident in Belgium will be subject to the provisions of the EU Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the former Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the foreign interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

### ***Belgian tax regime regarding Warrants***

Investors are in principle subject to the following tax treatment with respect to the Warrants. Other rules can be applicable in special situations, such as when the return on the underlying is fixed in advance, in which case the holders of the Warrants may be subject to the tax regime applicable to the Warrants.

This summary does not address the tax consequences after the moment of exercise, settlement or redemption of the Warrants.

### **Belgian withholding tax and income tax**

#### ***Tax treatment of Belgian resident individuals***

Individuals who are Belgian residents for tax purposes, i.e., individuals subject to the Belgian individual income tax (*Personenbelasting/Impôt des personnes physiques*) and who hold the Warrants as a private investment, are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Private individual investors are in principle not liable to income tax on gains realised on the disposal or settlement of Warrants held as a private investment. Losses are not tax deductible.

Other tax rules may be applicable with respect to Warrants that are held for professional purposes and transactions with Warrants falling outside the scope of the normal management of one's own private estate.

#### ***Tax treatment of Belgian resident corporations***

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian corporations will be subject to the Belgian corporate income tax of 33.99 per cent. on the gains realised on the disposal or cash settlement of the Warrants. Losses are in principle deductible.

However, in the event of a physical delivery of assets upon exercise of Warrants, Belgian corporations in principle have to record the assets received upon exercise at a value equal to the premium paid for the Warrants increased with the strike price of the Warrants.

### ***Tax treatment of a Belgian Organisation for Financing Pensions***

Belgian pension fund entities that have the form of an OFP are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian OFPs are not liable for income tax on gains realised on the disposal or settlement of the Warrants. Capital losses are in principle not deductible.

### ***Tax treatment of other Belgian legal entities***

Legal entities that are Belgian residents for tax purposes, i.e., that are subject to the Belgian tax on legal entities (*Rechtspersonenbelasting/Impôt des personnes morales*) are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian legal entities are in principle not liable to income tax on gains realised on the disposal or settlement of the Warrants. Losses are not tax deductible.

### ***Non-resident investors***

Non-resident Warrant holders who do not allocate the Warrants to a professional activity in Belgium are in principle not subject to Belgian income tax on gains realised on the disposal or settlement of the Warrants. However, such non-residents may still be liable to Belgian income tax on capital gains realized on the disposal or settlement of the Warrants, if the following three conditions are cumulatively met, i.e., (i) the capital gain would have been taxable if the investor were a Belgian tax resident, (ii) the capital gain is realized upon a transfer or settlement of the Warrants with a Belgian resident individual, company or other (legal) entity with registered office or principal place of business in Belgium, a Belgian public authority or a Belgian establishment of a non-resident and (iii) the capital gain is taxable in Belgium pursuant to an applicable bilateral tax treaty or, in the absence thereof, where the investor does not bring evidence that the capital gain has been effectively taxed in his state of residence.

Non-residents who use the Warrants to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian residents.

### ***Stock exchange tax and tax on repurchase transactions***

A stock exchange tax will be levied on the purchase and sale in Belgium of the Warrants on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.25 per cent., with a maximum amount of EUR 740 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A tax on repurchase transactions (*taxe sur les reports*) at the rate of 0.085 per cent. subject to a maximum of EUR 740 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional investors, as defined in Articles 126-1.2° and 139 of the Code of various duties and taxes (*Code des droits et taxes divers*).

### ***Estate and gift tax***

#### ***Individuals resident in Belgium***

An estate tax is levied on the value of the Securities transferred as part of a Belgian resident's estate.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration. However, estate taxes on donated Securities are avoided only if a person can demonstrate that the gift (not subject to gift tax) occurred more than three years preceding the death of the grantor.

### ***Individuals not resident in Belgium***

There is no Belgian estate tax on the transfer of Securities on the death of a Belgian non-resident.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration.

## **FRANCE**

### ***Stamp duty***

The purchase or sale of the Securities is not subject to stamp duty or transfer tax in France.

### ***Income Tax and Withholding tax***

Income paid or accrued on the Securities, to the extent such Securities are not issued by an Issuer incorporated or otherwise acting through a French permanent establishment, is not mandatorily subject to withholding tax in France.

However, if Relevant Payments are made to French resident individuals and regarded as interest or assimilated income for French tax purposes, the Paying Agent could be subject to withholding obligations. In that case, social contributions of currently 15.5 per cent. and the 24 per cent. income tax prepayment, applicable in principle to interest and assimilated income received by French resident individuals, would generally need to be withheld and reported by the Paying Agent, if the Paying Agent is established in France (exceptions may however apply depending on level of income of the taxpayer). If the Paying Agent is established outside France, it is in principle not involved in this withholding obligation, unless it is established in an EU or EEA member state and has been expressly appointed by the French taxpayer to do so.

In addition, prospective purchasers of Securities who are French resident for tax purposes or who would hold Securities through a permanent establishment or a fixed base in France should be aware that transactions involving the Securities, including any purchase or disposal of, or other dealings in the Securities and any transaction involved in the exercise and settlement of the Securities, may have French tax consequences.

The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e., legal entities or individuals) and on the specific terms and conditions of the relevant Securities. Prospective purchasers of Securities should consult their own advisers about the tax implications of holding Securities and of any transactions involving Securities.

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

The Directive was implemented into French law under Article 242 ter of the French tax code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## **FINLAND**

## Taxation

*The following provisions are only relevant in respect of Securities which are to be held within the Euroclear Finland system.*

There is no Finnish withholding tax (*lähdevero*) applicable on payments made by the Issuer in respect of the Securities. Payment of the redemption gain (if any) or interest on the Securities through a Finnish paying agent to individuals resident in Finland may, however, be subject to an advance tax withheld (*ennakonpidätys*) by the Finnish paying agent at the rate of 30 per cent. Payment of the redemption gain or payment upon the exercise (i.e., the realisation of the net value through cash settlement) of Securities classified as certificates or warrants should not be subject to any advance tax withholding to the extent that the gain or income so arising would qualify as a capital gain for individuals.

Interest and capital gains received by individuals are currently taxed at a rate of 30 per cent. or 32 per cent. for capital income exceeding EUR 50,000 annually. Capital losses are deductible from capital gains arising in the same year and the five following years, but not from other capital income. Advance tax withheld (*ennakonpidätys*) by the Finnish paying agent, if any, will be taken into account as paid tax in the individual's final taxation. Payment of the redemption gain (if any) or interest on the Securities through a Finnish paying agent to corporate entities resident in Finland will not be subject to any Finnish advance or withholding taxes.

### **HUNGARY**

*The following is a summary of certain Hungarian tax considerations relevant to the holder of the Securities. This summary is of a general nature only, does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities. Prospective holders should consult their own tax advisers as to the particular tax consequences to them of subscribing for, purchasing, owning and disposing of the Securities.*

*The statements herein regarding taxation in Hungary assume that the Issuer of the Securities is not tax resident in Hungary and the Securities are not issued via a Hungarian branch of the Issuer.*

*These statements are based on the laws in force in Hungary as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made with retroactive effect.*

#### **Resident private individual holders**

Private individual holders will be subject to personal income tax in Hungary in respect of income derived from the Securities. In general, the applicable tax rate will be 16 per cent. If the income is earned under specific circumstances meeting the criteria set by law, the applicable tax rate can be lower.

In addition to the personal income tax liability described above, private individual holders may be subject to certain social charges, also, in respect of income derived from the Securities depending on the classification of that income and the particular circumstances of the private individual holder. Incomes classified as capital gains and dividends may be subject to 14 per cent. social tax. Although interests are exempt from social tax at the date of this Base Prospectus, please note that a social tax of 6 per cent. is expected to be imposed shortly on incomes classified as interests.

A paying agent who is deemed to be tax resident in Hungary or has a permanent establishment in Hungary via which the payment is made may be required to withhold tax from the payment resulting from the holding, sale or redemption of the Securities.

#### **Resident entities holding the Securities**

Companies will be subject to corporate income tax on any income resulting from the holding, redemption or sale of or any other transaction resulting gain with the Securities. Such income or gains will be part of the normal corporate income tax base and will be taxed accordingly.

The applicable tax rate is 10 or 19 per cent., depending on the total amount of the taxable base.

Other entities that are subject to the corporate income tax law can be subject to tax on their income resulting from the Securities, depending on their individual circumstances from a corporate income tax perspective.

### **Non-resident holders**

Private individual holders not being tax resident in Hungary will not be subject to tax in Hungary in respect of income derived from the Securities, unless they hold the securities as entrepreneurs and have a permanent establishment in Hungary to which the Securities are attributable.

Any entity not being tax resident in Hungary will not be subject to tax in Hungary in respect of income derived from the Securities, unless they have a permanent establishment in Hungary to which the Securities are attributable.

## **IRELAND**

See the paragraph entitled "EU SAVINGS DIRECTIVE" on page 347 above.

## **ITALY**

*The following provisions are only relevant in respect of Securities if the relevant Final Terms specify that the Additional Provisions for Notes listed on Borsa Italiana S.p.A or the Additional Provisions for Certificates listed on Borsa Italiana S.p.A are applicable.*

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in bonds or commodities) may be subject to special rules.*

*Prospective purchasers of the Securities are advised to consult their own tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any State, regional or local tax laws.*

### **Italian Tax treatment of the Securities (Notes, Certificates and Warrants)**

The Securities may be subject to different tax regimes depending on whether:

- (a) they represent a debt instrument implying a use of capital (*impiego di capitale*), through which the Securityholder transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity; or
- (b) they represent derivative financial instruments or bundles of derivative financial instruments, through which the Securityholders purchase indirectly underlying financial instruments.

#### **1. Securities representing debt instruments implying a "use of capital"**

Securities having 100 per cent capital protection guaranteed by the Issuer

## Taxation

### *Italian resident Securityholders*

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for internal payments) and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued nor any type of control on the management.

Where an Italian resident Securityholder is:

- (a) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see "Capital Gains Tax" below),
- (b) a non-commercial partnership pursuant to Article 5 of the Presidential Decree No. 917 of 22 December 1986 ("**TUIR**"), (with the exception of general partnerships, limited partnerships and similar entities);
- (c) a public or private entity/institution (other than a company) or a trust not carrying out a commercial activity; or
- (d) an investor exempt from Italian corporate income taxation,

interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 20 per cent. In the event that the Securityholders described above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the final income tax due by the relevant Securityholder.

Where an Italian resident Securityholder is not included in the above (a) to (d) and is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the tax "status" of the Securityholder, also to regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.9 per cent., even though regional surcharges may apply).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. A withholding tax may apply in certain circumstances at the rate of 20 per cent. on distributions made by real estate investment funds.

If a Securityholder is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Securities are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period will not be subject to *imposta sostitutiva*. A withholding tax may apply in certain circumstances at the rate of 20 per cent. on distributions made by the Fund or the SICAV to certain categories of Securityholder.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) and the Securities are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. special tax applicable to Italian pension funds.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must:

- (a) be resident in Italy; or
- (b) be resident outside Italy, with a permanent establishment in Italy; or
- (c) be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and
- (d) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or a transfer of the Securities to another deposit or account held with the same or another Intermediary.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Securityholder. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 20 per cent. The Italian Securityholder may elect instead to pay ordinary personal income tax ("**IRPEF**") at the applicable progressive rates in respect of the payments; if so, the Securityholder should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

#### *Non-Italian Resident Securityholders*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Securityholder of interest or premium relating to the Securities provided that, if the Securities are held in Italy, the non-Italian resident Securityholder declares itself to be a non-Italian resident according to Italian tax regulations.

#### *Securities not having 100 per cent. capital protection guaranteed by the Issuer*

In case Securities representing debt instruments implying a "use of capital" do not guarantee the total reimbursement of the principal in cash, under Italian tax law they should qualify as "atypical securities" (*titoli atipici*) and payments in respect of such Securities received by Italian Securityholders would be subject to the following regime:

- (a) if the Securities are placed (*collocati*) in Italy, payments made to individual Securityholder holding the Securities not in connection with an entrepreneurial activity will be subject to a 20 per cent. final "entrance" withholding tax. (i.e., at source). This withholding tax is required to be levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Securities, in the repurchase or in the transfer of the Securities;

## Taxation

- (b) if the Securities are not placed (*collocati*) in Italy or in any case where payments on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no entrance withholding tax is required to be levied, the individual beneficial owners will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 20 per cent. The Italian individual Securityholder may elect instead to pay ordinary IRPEF at the progressive rates applicable to them in respect of the payments; if so, the Securityholder should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

### *Capital Gains Tax*

Any gain obtained from the sale or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the tax "status" of the Securityholder, also as part of the net value of production for IRAP purposes) if realised by: (i) an Italian resident company; (ii) an Italian resident commercial partnership; (iii) the Italian permanent establishment of foreign entities to which the Securities are effectively connected; or (iv) Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securityholder is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Securityholder from the sale or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. Under some conditions and limitations, Securityholders may set off losses with gains. This rule applies also to certain other entities holding the Securities.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

- (a) Under the "tax declaration" regime (*regime della dichiarazione*), which is the ordinary regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (b) As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the "**Decree No. 461**"). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities

management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in its annual tax return.

- (c) Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Securityholder which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will neither be subject to *imposta sostitutiva* nor to any form of taxation in the hands of the Fund or of the SICAV, but any income paid by a Fund or by a SICAV in favour of its participants will be subject to taxation in accordance with the specific rules provided for the different kind of participants.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. special tax applicable to Italian pension funds.

### ***Non-Italian Resident Securityholders***

Capital gains realised by non-Italian resident Securityholders from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

## **2. Securities representing derivative financial instruments or bundles of derivative financial instruments**

Payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian Securityholder (not engaged in an entrepreneurial activity to which the Securities are connected) as well as capital gains realised by such Italian Securityholder on any sale or transfer for consideration of the Securities or redemption thereof are subject to a 20 per cent. capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital Gains Tax" above.

Payments in respect of Securities qualifying as securitised derivative financial instruments received by Italian Securityholder which carry out commercial activities are not subject to the 20 per cent. capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

### ***Inheritance and gift taxes***

Transfers of any valuable assets (including the Securities) as a result of death or inter vivos gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

## Taxation

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of value that exceeds Euro 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of value that exceeds Euro 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on that part of value that exceeds Euro 1,500,000.

Moreover, an anti-avoidance rule is provided in case of gift of assets, such as the Securities, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Securities for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

### **Transfer tax**

Transfer tax previously generally payable on the transfer of the Securities has been abolished. A Euro 168.00 registration tax may be applicable to the transfer of the Securities under certain circumstances.

### **Tax monitoring obligations**

Italian resident individuals will be required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, for tax monitoring purposes: the amount of any transfers from abroad, towards abroad and occurring abroad, related to the Securities, occurring during each tax year, if these transfers exceed in the aggregate Euro 10,000. This also applies in the case that at the end of the tax year, Securities are no longer held by Italian individuals.

Italian individuals will however not be required to comply with the above reporting requirements with respect to Securities deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Securities are received through the intervention of the same intermediaries.

### **European Savings directive**

Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**") implemented in Italy, as of 1 July 2005, the European Council Directive No. 2003/48/EC on the taxation of savings income (the "**Directive**"). Under the Directive, Member States, if a number of important conditions are met, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within their jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Same details of payments of interest (or similar income) shall be provided to the tax authorities of a number of non-EU countries and territories, which have agreed to adopt similar measures with effect from the same date. However, Belgium announced that it had decided to apply information exchange as per the Directive as from 1 January 2010. Therefore, with regard to Belgium the transitional period ended on 31 December 2009.

Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## **LUXEMBOURG**

*The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

*This description is based on the laws, regulations and applicable tax treaties as in effect in Luxembourg on the date hereof, all of which are subject to change, possibly with retroactive effect. It is not intended to be, nor should it be construed to be, legal or tax advice.*

*The following summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular prospective holder with regard to a decision to purchase, own or dispose of Securities.*

*The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.*

*Additionally, a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharges (contributions au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Prospective holders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes.*

*Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

### **Withholding Tax and Self-Applied Tax**

#### ***Taxation of Luxembourg non-residents***

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the "Laws") mentioned below, there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalized.

Under the Laws, implementing the Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax at a rate of 35 per cent. (applicable rate since July 1, 2011) unless the relevant recipient has duly instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a

## Taxation

tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

### ***Taxation of Luxembourg residents***

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "Law"), there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalized.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is tax resident of Luxembourg will be subject to a withholding tax of 10 per cent. In case the individual beneficial owner is an individual acting in the course of the management of his/her private wealth, said withholding tax will be in full discharge of income tax. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. Payments of interest under Securities coming within the scope of the Law would be subject to withholding tax at a rate of 10 per cent.

### **Income Taxation on Principal, Interest, Gains on Sales or Redemption**

#### ***Luxembourg tax residence of the Investors***

Investors will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Securities.

#### ***Taxation of Luxembourg non-residents***

Investors who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment of the Securities.

A non-Luxembourg tax resident corporate holder of Securities or a non-Luxembourg tax resident individual holder of Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg to which Securities are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts under Securities and on any gains realized upon sale or disposal, in any form whatsoever, of Securities.

#### ***Taxation of Luxembourg residents***

A Luxembourg tax resident corporate holder, must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Securities, acting in the course of the management of a professional or business undertaking.

Luxembourg resident corporate Investors which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010 or specialised investment funds subject to the law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax,

municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

A Luxembourg tax resident individual holder, acting in the course of the management of his / her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under Securities, except if withholding tax has been levied on such payments in accordance with the Law (as this withholding tax would represent the final tax liability in his/her hands). A gain realized by a Luxembourg tax resident individual holder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after Securities were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax (in case it would not have suffered the 10 per cent. withholding tax under the Law).

In addition, pursuant to the Luxembourg law of 17 July 2008 (amending the Luxembourg law of 23 December 2005), Luxembourg tax resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. flat tax on interest payments made after 31 December 2007 by certain paying agents not established in Luxembourg (defined in the same way as in the EC Council Directive 2003/48/EC) i.e., paying agents located in an EU member state other than Luxembourg, a member state of the European Economic Area (i.e., Iceland, Norway and Liechtenstein) or in a state which has concluded an international agreement relating directly to EC Council Directive 2003/48/EC. In case such option is exercised, such interest does not need to be reported in the annual tax return.

#### **Net Wealth tax**

Luxembourg net wealth tax will not be levied on a holder of Securities, unless (i) such holder of Securities is a company resident in Luxembourg for the purpose of the relevant legal provisions; or (ii) the Securities are attributable to an enterprise or a part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg. In such a case, the holder of Securities must take the Securities into account for the purposes of Luxembourg wealth tax, except, under certain circumstances, if the holder of Notes is governed by any of the following: (i) the law of 17 December 2010 on undertakings for collective investment; (iii) the law of 22 March 2004 on securitization; and (iv) the law of 15 June 2004 on the investment company in risk capital and (v) the law of 11 May 2007 on the *Société de Gestion de Patrimoine Familial*.

#### **Subscription tax**

***Subscription tax implications may arise (depending on the facts and circumstances) for the following based Luxembourg entities:***

- Private family asset holding companies ("*Société de Gestion de Patrimoine Familial*") governed by the law of May 11, 2007;
- Investment funds governed by the law of 17 December, 2010 on UCITS ("*Undertakings for collective investment in transferable securities*");
- Investment funds governed by the law of 13 February, 2007 on SIF ("*Specialized investment funds*").

#### **Other taxes**

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Investors in connection with the issue of the Securities, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Securities, unless the documents relating to the Securities are voluntarily registered in Luxembourg. There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Securities or in respect of the payment of interest or principal under the Securities or the transfer of the Securities. Luxembourg value added tax may, however, be

## Taxation

payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Investors not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Securities. Under Luxembourg tax law, where an individual holder of Securities is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, Securities are included in his/her taxable basis for inheritance tax or estate purposes.

Gift tax may be due on a gift or donation of Securities, if embodied in a Luxembourg deed or otherwise registered in Luxembourg.

## THE NETHERLANDS

### General

For the purposes of this summary we assume that no Issuer is tax resident of the Netherlands.

Where this summary refers to "the Netherlands" or "Dutch", it refers only to that part of the Kingdom of the Netherlands that is in Europe.

### Scope

Regardless of whether or not a holder of Securities is, or is treated as being, a resident of the Netherlands, with the exception of the section on withholding tax below, this summary does not address the Dutch tax consequences for such a holder:

- (a) having a substantial interest (*aanmerkelijk belang*) in the Issuer (such a substantial interest is generally present if an equity stake of at least 5 per cent., or a right to acquire such a stake, is held, in each case by reference to the Issuer's total issued share capital, or the issued capital of a certain class of shares);
- (b) who is a private individual and who may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Securities are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Securities;
- (c) which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer's nominal paid-in capital);
- (d) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes;
- (e) which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten; or
- (f) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Securities and/or the benefits derived from the Securities.

This summary does not describe the Netherlands tax consequences for a person to whom the Securities are attributed on the basis of the separated private assets provisions (*afgezonderd particulier vermogen*) in the Netherlands Tax Act 2001 (*Wet inkomstenbelasting 2001*) and/or the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*).

### Income tax

**Resident holders**

A holder who is a private individual and a resident, or treated as being a resident, of the Netherlands for the purposes of Dutch income tax, must record Securities as assets that are held in box 3. Taxable income with regard to the Securities is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold (*heffingvrij vermogen*). Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Securities will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent.

**Non-resident holders**

A holder who is a private individual and neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Securities.

**Corporate income tax****Resident holders**

A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, is taxed in respect of benefits derived from the Securities at rates of up to 25 per cent.

**Non-resident holders**

A holder which is a corporate entity and for the purposes of Dutch corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, will not be subject to corporate income tax in respect of the Securities, unless such holder has an interest in an enterprise which, in whole or in part, is effectively managed in the Netherlands, or if it carries on an enterprise through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise the Securities are attributable. If a non-resident holder is subject to Dutch corporate income tax, it will be taxed in respect of benefits derived from the Securities at rates of up to 25 per cent.

**Withholding tax**

All payments made by the Issuer under the Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

**NORWAY**

See the paragraph entitled "EU SAVINGS DIRECTIVE" on page 347 above.

**PORTUGAL**

*This section summarises the Portuguese tax rules applicable to the acquisition, ownership and disposal of the Securities, in force as at the date of this Base Prospectus. This section does not analyse the tax implications that may indirectly arise from the decision to invest in the Securities, such as those relating to the tax framework of financing obtained to support such investment or those pertaining to the counterparties of the potential investors, regarding any transaction involving the Securities.*

*This section is a general summary of the relevant features of the Portuguese tax system. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor, including tax considerations that arise from*

*rules of general application or that are generally assumed to be known to investors. It also does not contain in-depth information about all special and exceptional regimes, which may entail tax consequences at variance with those described herewith.*

*The tax treatment of each type of potential investor described in each sub-section applies exclusively to that type of potential investor. No analogy regarding the tax implications applicable to other type of potential investors should be drawn. Potential investors should seek individual advice about the implications of the acquisition, ownership and disposal of Securities, in light of their specific circumstances.*

*This section does not include any reference to the tax framework applicable in countries other than Portugal. The rules of a Convention to prevent Double Taxation ("**Convention**") may have a bearing on Portuguese tax implications. Furthermore, the domestic provisions of other countries may exacerbate or alleviate such implications.*

*The meaning of the terminology adopted in respect of every technical feature, including the qualification of the securities issued as "bonds", the classification of taxable events, the arrangements for taxation and potential tax benefits, among others, is the one in force in Portugal as at the date of this Base Prospectus. No other interpretations or meanings, potentially employed in other countries, are considered.*

*The tax framework described in this section is subject to any changes in law and practices (and the interpretation and application thereof) at any moment. Although according to the Portuguese Constitution legislative amendments which increase taxation cannot have retroactive or retrospective effect, there is no general prohibition of amendments with such effect.*

## **Ordinarily resident individuals**

### **Investment income**

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Securities (including, upon a transfer of the Securities, the interest accrued since the last date on which interest was paid), are classified as "investment income" for Portuguese tax purposes.

There is no Portuguese withholding tax applicable on investment income paid by the Issuer in respect of the Securities, unless such payments are made by a Portuguese paying agent, acting on behalf of, or contractually obliged by, either the non-resident entity (bound to pay the income) or the Portuguese resident individual (i.e., the recipient), in which case Personal Income Tax (*Imposto sobre o Rendimento das Pessoas Singulares*– "**IRS**") will be withheld at a 28 per cent. flat rate. If the Issuer is resident in a country, territory or region subject to a clearly more favourable tax regime, as listed in the Ministerial Order no. 150/2004, of 13th February, as amended by Ministerial Order no. 292/2011, of 8th November, the withholding tax rate is increased to 35 per cent. The IRS withholding is final, unless the individual decides to aggregate the relevant income with the remaining elements of income and subject the global amount to IRS, at the rate resulting from the application of the relevant progressive tax brackets for the year in question, up to 48 per cent., plus a 3.5 per cent. surtax (*sobretaxa extraordinária*) on income exceeding € 6,790 and a solidarity tax (*taxa adicional de solidariedade*) of up to 5 per cent. on income exceeding € 250,000 (2.5 per cent. on income below € 250,000, but exceeding € 80,000). In this case, the domestic withholding tax suffered will represent an advance payment on account of such final IRS liability and foreign withholding tax, if any, may be credited against such final IRS liability within certain limitations.

If no such paying agent exists, Portuguese resident individuals must declare the relevant income in their tax returns and either subject it to the final flat 28 per cent. rate (unless if deriving such income in the capacity of an entrepreneur with organised accounts), or aggregate it with the remaining elements of income and subject the global amount to IRS, at the rate resulting from the application of the relevant progressive tax brackets for the year in question, up to 48 per cent., plus a 3.5 per cent. surtax (*sobretaxa extraordinária*) on income

exceeding € 6,790 and a solidarity tax (*taxa adicional de solidariedade*) of up to 5 per cent. on income exceeding € 250,000 (2.5 per cent. on income below € 250,000, but exceeding € 80,000). In this case, any foreign withholding tax may be credited against such final IRS liability within certain limitations.

### **Capital gains and losses**

The annual positive balance between capital gains not excluded from taxation pursuant to the preceding paragraph and capital losses arising from the disposal of Securities (and other assets indicated in the law) for consideration, deducted of the costs necessary and effectively incurred in such disposal, is taxed at a special 28 per cent. IRS rate. Alternatively, the investors may opt for declaring such income in their tax returns, together with the remaining items of income derived. In that event, the capital gains shall be liable for tax at the rate resulting from the application of the relevant progressive tax brackets for the year in question, 48 per cent., plus a 3.5 per cent. surtax (*sobretaxa extraordinária*) on income exceeding € 6,790 and a solidarity tax (*taxa adicional de solidariedade*) of up to 5 per cent. on income exceeding € 250,000 (2.5 per cent. on income below € 250,000, but exceeding € 80,000). No Portuguese withholding tax is levied on capital gains.

Losses arising from disposals for consideration in favour of counterparties subject to a clearly more favourable tax regime in the country, territory or region where it is a tax resident, listed in the Ministerial Order no. 150/2004, of 13 February 2004, as amended by Ministerial Order no. 292/2011, of 8th November, are disregarded for purposes of assessing the positive or negative balance referred to in the previous paragraph.

Where the Portuguese resident individual chooses to disclose the capital gains or losses in his or her tax return, any capital losses which were not offset against capital gains in the relevant tax period may be carried forward for two years and offset future capital gains.

### **Gratuitous acquisition of Securities**

The gratuitous acquisition (on death or in life) of the Securities by Portuguese tax resident individuals is not liable for Stamp Tax (otherwise due at a 10 per cent. rate) provided the relevant Issuer is not a Portuguese tax-resident entity. Spouses, ancestors and descendants would nonetheless avail of an exemption from Stamp Tax on such acquisitions.

### **Non-habitual resident individuals**

Non-habitual resident individuals in Portugal may be exempt from IRS on both investment income arising from the Securities or capital gains derived from their disposal, disregarding whether a paying agent exists or not, provided that they may be taxed in the other State under the rules of a tax treaty entered into by Portugal or, if no tax treaty exists, that (i) it may be taxed in the other State according to the rules of the OECD Model Tax Convention on Income and on Capital, as interpreted according to the Portuguese reservations on its articles and observations on its commentary; (ii) it is not considered to derive from a Portuguese source under the IRS Code territoriality rules; and (iii) the relevant income does not arise in a State, region or territory included in the Ministerial Order no. 150/2004, of 13 February 2004, as amended by Ministerial Order no. 292/2011, of 8th November. The non-habitual resident individual may however choose to declare such income in his or her tax return, together with the remaining items of income derived, and avail of a foreign tax credit.

### **Corporate entities**

To the extent that the Issuer of the Securities is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final Corporate Income Tax (*Imposto sobre o Rendimento das Pessoas Colectivas – "IRC"*) liability of Portuguese corporate investors will apply. Both investment income, capital gains and positive net variations in worth will be declared and taxed at an IRC rate of 25 per cent., plus a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. and a State surcharge (*derrama estadual*) of 3 per cent. on the part of its taxable profits exceeding € 1,500,000 up to € 7,500,000 and of 5 per cent. of the part of the taxable profits that exceed € 7,500,000.

## **SINGAPORE**

### **Singapore Taxation of Notes and Warrants**

*The statements below are only applicable to Notes and Warrants issued by Credit Suisse AG, Singapore Branch, are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the relevant authorities in force as at the date of this Base Prospectus and are subject to any changes in such laws or guidelines, or the interpretation of such laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any prospective holder of the Notes or Warrants or of any person acquiring, selling, or otherwise dealing with the Notes or Warrants or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes or Warrants. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes or Warrants and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes or Warrants are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes or Warrants, including in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer(s) nor any other person involved in the Base Prospectus accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes or Warrants.*

#### **Income Tax - General**

##### Individual Taxpayers

An individual is a tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax.

A Singapore tax resident individual is taxed at progressive rates up to 20 per cent. for the years of assessment 2013 and 2014 (that is, in respect of income earned during the calendar year or other basis period ending in 2012 and 2013 respectively).

Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 20 per cent. for the years of assessment 2013 and 2014.

##### Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met including the following:

- (a) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15 per cent.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore ("**IRAS**") with respect to such conditions.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore is currently 17 per cent. In addition, three-quarters of up to the first S\$10,000, and one-half of up to the next S\$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income (after the tax exemption) will be taxed at the prevailing corporate tax rate. In addition, it was announced during the Singapore Budget 2013 that companies will receive a 30 per cent. corporate income tax rebate for the years of assessment 2013, 2014 and 2015, subject to a cap of S\$30,000 per year of assessment. New companies will also, subject to certain conditions and exceptions, be eligible for full tax exemption on their normal chargeable income of up to S\$100,000 a year for each of the company's first three years of assessment.

#### **Withholding Tax on Interest and Other Payments on the Notes**

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

## Taxation

- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived by individuals through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

### Withholding Tax Exemption on Qualifying Payments by Specified Entities

Pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued within the period from 17 February 2012 to 31 March 2021. Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

### Qualifying Debt Securities Scheme

In addition, if the Dealers for more than half of the issue of a tranche of the Notes which are issued as debt securities under the Programme during the period from the date of this Base Prospectus to 31 December 2013 are:

- (a) financial institutions who have been awarded "Financial Sector Incentive (Bond Market) Company" status by the Minister for Finance of Singapore or such person as he may appoint; or
- (b) financial institutions in Singapore where their staff based in Singapore have a leading and substantial role in the distribution of such tranche of Notes,

such tranche of Notes ("**Relevant Notes**") would be "qualifying debt securities" under the ITA.

If the Relevant Notes are "qualifying debt securities":

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the Monetary Authority of Singapore ("**MAS**") and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Relevant Notes by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore, or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not funds and profits of that person's operations through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt

securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

- (c) subject to:
- (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall declare and include such income in a return of income made under the ITA; and
  - (ii) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and
- (b) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or the concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

**"redemption premium"**, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding of tax under Sections 45 and 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**") has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and the MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are "qualifying debt securities" which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Notes derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Pursuant to the Singapore Budget 2013, it was announced that the Qualifying Debt Securities Scheme and the QDS Plus Scheme are to be extended to debt securities issued during the period of 1 January 2014 to 31 December 2018, subject to certain amendments to be announced by the MAS.

### **Dividends Paid by Singapore Tax Resident Companies**

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system ("**one-tier system**"). Under this system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in Singapore in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

## Capital Gains

Singapore imposes a tax on income but does not impose tax on gains which are considered non-income (i.e., gains which are considered to be capital in nature). There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital. Any gains derived by any person from the sale of the Notes or disposal, exercise or expiry of the Warrants which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes or Warrants who apply or who are required to apply Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**") for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes or Warrants, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

### Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes or Warrants who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes or Warrants or any exercise or expiry of the Warrants.

## Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## Stamp Duty

Stamp duty is payable on the instrument of transfer of stocks or shares having a register kept in Singapore, at the rate of S\$0.20 for every S\$100 or part thereof computed on the amount or value of consideration. The amount or value of consideration is the actual consideration or market value of such stock or shares, whichever is higher. The transferee is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty would be payable if an instrument of transfer which is executed outside Singapore is received in Singapore.

Stamp duty is not applicable to electronic transfers of stocks or shares through The Central Depository (Pte) Limited.

## SWEDEN

*The following provisions are only relevant in respect of Securities which are to be held within the Euroclear Sweden system.*

There is no Swedish withholding tax at source (*källskatt*) applicable on payments made by the relevant Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments of interest in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes, provided the paying entity is subject to reporting obligations. Depending on the relevant holder's overall tax liability

for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

### **The European Commission's Proposal for a Financial Transaction Tax**

On 14 February 2013, the European Commission produced a proposal for a council directive on a common system of financial transaction tax ("**FTT**") to be implemented under enhanced co-operation by 11 Member States, namely Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**FTT Member States**"). If all participating Member States agree implementing legislation by 30 September 2013, it is proposed that the FTT will apply in those 11 Member States from 1 January 2014. The proposal is not yet in final form (and the European Parliament has suggested some changes).

If adopted in its current form then, subject to certain exemptions, the FTT will apply to Financial Transactions as defined below:

- (a) purchases or sales of a wide range of "financial instruments" which is very broadly defined and includes shares, bonds, money-market instruments and many other instruments; and
- (b) the conclusion or transfer of derivative contracts,

(each a "**Financial Transaction**").

FTT will be chargeable at rates to be determined by each participating member state, but that rate must be set at least equal to:

- (a) 0.1 per cent. of the price paid or, if higher, the market value of the financial instruments under (a) above; and
- (b) 0.01 per cent. of the notional value of the derivative contract under (b) above.

In order for FTT to apply to a particular Financial Transaction, at least one party must be a financial institution and either:

- (a) at least one party must be "established" in an FTT Member State; or
- (b) the underlying financial instrument must be issued by an entity established in an FTT Member State.

The FTT will thus primarily be a tax levied on financial institutions (such as banks, credit institutions and pension funds) in the secondary market. However, such financial institutions may choose to transfer the FTT cost on to the holders of Securities, who may consequently suffer additional transaction costs. In addition, the FTT could increase the expenses that the relevant Issuer incurs in entering hedging or other transactions and that could reduce the returns payable to the holders of Securities.

## OFFERS

An investor intending to acquire or acquiring any Securities from an Offeror will do so, and offers and sales of the Securities to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor including as to price, allocations and settlement arrangements. Neither the relevant Issuer nor the relevant Dealer will be a party to any such arrangements with investors (except where the relevant Issuer or the relevant Dealer is itself the relevant Offeror) and, accordingly, this Base Prospectus and any relevant Final Terms may not contain such information and, in such case, an investor must obtain such information from the relevant Offeror. Investors should however note the following:

### **Amount of the offer**

The nominal amount or number of Securities subject to the offer may be specified in the relevant Final Terms. If the nominal amount or number of Securities subject to the offer is not specified in the relevant Final Terms, the relevant Final Terms may specify that it will be determined on the basis of the demand for the Securities and prevailing market conditions and be published in accordance with Article 8 of the Prospectus Directive.

### **Offer Price**

If pertinent, the offer price per Security may either (a) be specified in the relevant Final Terms or (b) if the relevant Final Terms so specify, be determined on the basis of the prevailing market conditions on or around the date specified in the relevant Final Terms in which event it will not be greater than the maximum price specified in the relevant Final Terms and will be published in accordance with Article 8 of the Prospectus Directive.

### **Publication of a Supplement**

If the Issuers publish a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the relevant Issuer or the Securities, investors who have already agreed to purchase Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

## SELLING RESTRICTIONS

### GENERAL

Except as set out in this Base Prospectus or the relevant Final Terms, no action has been or will be taken that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required.

No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the relevant Issuer or the Dealer.

### UNITED STATES

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

The Dealer may not offer, sell or deliver the Securities (A) within the United States or (B) to, or for the account or benefit of, U.S. persons (other than distributors) (i) as part of the Dealer's distribution at any time or (ii) otherwise until 40 days after the later of the date on which the Securities were first offered to persons other than distributors and the Issue Date (the "distribution compliance period"). The Dealer will send to each other distributor to which it sells the Securities during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until the expiration of the 40-day distribution compliance period, an offer or sale of Securities (A) within the United States by a distributor (whether or not participating in the offering) or (B) for the account or benefit of U.S. persons by a person that is not participating in the offering may violate the registration requirements of the Securities Act.

### UNITED KINGDOM

Each Dealer represents, warrants and agrees that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which section 21(1) of FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- (b) *General compliance*: it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (c) *Commissions and fees*:
  - (i) if it is distributing Securities that are "retail investment products" (as such term is defined in the handbook of the Financial Conduct Authority) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; or
  - (ii) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing

advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where the Issuer has agreed to facilitate the payment of an adviser fee and has the express consent of the retail investor(s) to do so.

## EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State, and by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

## AUSTRIA

No prospectus has been or will be approved and/or published pursuant to the Austrian Capital Markets Act (*Kapitalmarktgesetz*) as amended. Neither this document nor any other document connected therewith constitutes a prospectus according to the Austrian Capital

## Selling Restrictions

Markets Act and neither this document nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Dealers. No steps may be taken that would constitute a public offering of the Securities in Austria and the offering of the Securities may not be advertised in Austria. Each Dealer has represented and agreed that it will offer the Securities in Austria only in compliance with the provisions of the Capital Markets Act and all other laws and regulations in Austria applicable to the offer and sale of the Securities in Austria.

### **BAHAMAS**

This Base Prospectus has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt such offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011, and in the circumstances, no offer or sale of the Securities can occur in The Bahamas.

The Issuer and each Dealer associated with the offer agrees that it has not, and will not, offer or sell any of the Securities in The Bahamas except in compliance with applicable Bahamian laws or pursuant to an exemption therefrom.

### **BELGIUM**

Other than in circumstances which do not require the publication of a prospectus pursuant to the Belgian law of 16th June, 2006 on the public offering of financial instruments and the admission of financial instruments to trading on regulated markets (the "**Law on Public Offerings**"), prior to an offer of the Securities to the public in Belgium, the offer would need to be notified to the Belgian Financial Services and Markets Authority by the competent authority of the home member state of the Issuer pursuant to Article 38 of the Law on Public Offerings.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer for sale, sell or market Securities to any person qualifying as a consumer within the meaning of Article 2.3 of the Belgian law of 6th April 2010 on consumer protection and trade practices, as amended from time to time, unless such offer, sale or marketing is made in compliance with this law and its implementing regulation.

### **FRANCE**

This Base Prospectus has not been approved by the *Autorité des marchés financiers* (the "**AMF**").

The Issuer and each Dealer have represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Securities to the public (*offre au public*) in France or an admission of Securities to trading on a regulated market in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the AMF, on the date of its publication or, (ii) when a prospectus in relation to those Securities has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is twelve months after the date of approval of the prospectus, all in accordance with Articles L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or
- (b) it has only made and will only make an offer of Securities to the public in France or an admission of Securities to trading on a regulated market in France in circumstances which do not require the publication by the offeror of a prospectus pursuant to the French *Code monétaire et financier* and the *Règlement général* of the AMF; and

- (c) otherwise, it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (a) persons providing the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account (other than individuals), as defined in, and in accordance with, Articles L.411-2 and D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

The direct or indirect resale of Securities to the public in France may be made only as provided by and in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*. In addition, the Issuer and each Dealer represents and agrees, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France the Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities other than to investors to whom offers and sales of Securities in France may be made as described above.

## HONG KONG

No person has issued, or had in its possession for the purposes of issue, and no person will 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 Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance.

## HUNGARY

For selling restrictions in respect of Hungary, please see "European Economic Area" above.

## REPUBLIC OF ITALY

Until the offer of the Securities has been registered pursuant to Italian securities legislation, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (a) to "qualified investors", as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or
- (b) in other circumstances which are exempted from the rules on offerings of securities to the public pursuant to Article 100 of Decree No. 58 and Article 34-ter, paragraph 1, of Regulation No. 11971.

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 385 of 1 September 1993, as amended (the "**Consolidated Banking Act**"), Decree No. 58 and CONSOB Regulation No. 16190 of 29 October 2007, as amended;
- (ii) in compliance with Article 129 of the Consolidated Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant

## Selling Restrictions

to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authorities.

*Please note that in accordance with Article 100-bis of Decree No. 58, concerning the circulation of financial products, where no exemption from the rules on offerings of securities to the public applies under (a) and (b) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971. Furthermore, Article 100-bis of Decree No. 58 affects the transferability of the Securities in the Republic of Italy to the extent that any placing of the Securities is made solely with qualified investors and the Securities are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus has not been published, purchasers of the Securities who are acting outside of the course of their business or profession may be entitled to declare such purchase null and void and to claim damages from any authorised intermediary at whose premises the Securities were purchased, unless an exemption provided for by Decree No. 58 applies.*

## THE NETHERLANDS

Securities that are not to be admitted on a regulated market may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined under "European Economic Area") unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Prospectus Directive or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), provided that no such offer of Securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

The Issuer does not have authorisation from the Dutch Central Bank for the pursuit of the business of a bank in The Netherlands and the Issuer does not have a licence pursuant to section 2:11(1) of the Financial Supervision Act.

## RUSSIAN FEDERATION

Each Dealer has agreed, that it will not offer or sell or transfer or otherwise dispose of, and will not offer or sell or transfer or otherwise dispose of, any Securities (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

Since neither the issue of the Securities nor a securities prospectus in respect of the Securities has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, the Securities are not eligible for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian "qualified investors" (as defined under Russian law) in a manner that is permitted under Russian law and that does not constitute "advertisement", "placement" or "public circulation" of the Securities in the Russian Federation.

Information set forth in this Base Prospectus is not an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer the Securities in the Russian Federation or to or for the benefit of any Russian person or entity.

## SINGAPORE

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the

subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

#### **SWITZERLAND**

Where no Swiss simplified prospectus is in place, the Securities may only be distributed as a private placement and may not be distributed in or from Switzerland in the meaning of article 3 of the Collective Investment Schemes Act ("**CISA**"), except to qualified investors as defined in the CISA (article 10 CISA) and the Collective Investment Schemes Ordinance ("**CISO**") (article 6 CISO), and only in compliance with all other applicable laws and regulations.

#### **TAIWAN**

The Securities may not be sold offered or issued to Taiwan resident investors unless they are made available outside Taiwan for purchase by such investors outside Taiwan.

## GENERAL INFORMATION

1. Each of the Issuers has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The Programme is established and Securities will be issued in accordance with:
  - (a) the Organisational Guideline and Regulation of CS dated 8 December 2010. No specific resolution of the Board of Directors of CS is required; and
  - (b) the resolution of the Board of Directors of CSi dated 13 March 2006.
2. There has been no material adverse change in the prospects of CS and its consolidated subsidiaries since 31 December 2012 and there has been no significant change in the financial position of CS and its consolidated subsidiaries since 31 December 2012.
3. There has been no material adverse change in the prospects of CSi and its consolidated subsidiaries since 31 December 2012 and there has been no significant change in the financial position of CSi and its consolidated subsidiaries since 31 December 2012.
4. Save as disclosed in the paragraph entitled "Legal and Arbitration Proceedings" in the section headed "Credit Suisse AG" herein, CS is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on its financial position or profitability or that of CS and its consolidated subsidiaries. Nor, to the best of the knowledge and belief of CS, are any such proceedings pending or threatened.
5. CSi is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on its financial position or profitability or that of CSi or its consolidated subsidiaries. Nor, to the best of the knowledge and belief of CSi, are any such proceedings pending or threatened.
6. Copies of the Agency Agreement and Deeds of Covenant will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the following will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the relevant Issuer or the relevant Branch, if applicable:
  - (a) the Memorandum and Articles of Association of the relevant Issuer;
  - (b) the audited accounts of the relevant Issuer for the last two years;
  - (c) each Final Terms (save that Final Terms relating to a Security which is neither admitted to trading on a regulated market within the European Economic Area nor offered to the public in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the relevant Issuer as to its holding of Securities and identity);
  - (d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus; and
  - (e) a copy of any document incorporated by reference in this Base Prospectus.

7. KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland, have audited the accounts of CS. KPMG AG is a member of the Swiss Institute of Certified Accountants and tax consultants.
8. KPMG Audit plc, One Canada Square, London E14 5AG, have audited the accounts of CSi. KPMG Audit Plc is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
9. The Securities may be accepted for clearance through the following clearing systems (which are the entities in charge of keeping the relevant records) as specified in the relevant Final Terms:
  - (a) Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium);
  - (b) Clearstream Banking, société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg);
  - (c) Clearstream Banking AG (Neue Börsestraße 1, D-60487 Frankfurt am Main);
  - (d) Euroclear Finland (Urho Kekkosen katu 5C, 00100 Helsinki, Finland);
  - (e) Euroclear Sweden (Box 191, SE-101 97 Stockholm, Sweden);
  - (f) VPS (Fred Olsens gate 1, Postboks 4, 0051 Oslo, Norway); and
  - (g) Monte Titoli S.p.A. (via Mantegna 6, 20154 Milan, Italy).
10. CS's registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland and the telephone number is +41 44 333 11 11. The London branch is located at One Cabot Square, London E14 4QJ, England and the telephone number is +44 207 888 8888. The Nassau branch is located at Bahamas Financial Centre, 4th Floor, Shirley & Charlotte Streets, Nassau, The Bahamas and the telephone number is +1 242 356 8100. The Singapore branch is located at 1 Raffles Link, #03-01 One Raffles Link, Singapore 039393 and the telephone number is +65 6212 2000.
11. CSi's registered head office is located at One Cabot Square, London E14 4QJ, England and the telephone number is +44 207 888 888.

## INDEX OF DEFINED TERMS

	Page
£	97, 118, 135
¥	97, 118, 135
€	97, 118, 135
2010 PD Amending Directive	383
30/360	87, 111
30E/360	88, 112
30E/360 (ISDA)	88, 112
360/360	87, 111
A	154, 156, 162, 163
Account Holder	82, 106, 128
Accrual Condition	153
Accrual Day	153
Accrual Fraction	153
Accrual Period	153
Accrual Period End Date	153
Accrual Period Start Date	153
Act	349
Actual/360	87, 111
Actual/365 (Fixed)	87, 111
Actual/Actual	87, 111
Actual/Actual – ISDA	87, 111
Actual/Actual–ICMA	89, 113
Additional Business Centre	266
Additional Disruption Event	173, 191, 209, 231, 238, 258, 266, 281
Additional Fund Documents	238
Additional Provisions	97, 118, 135
Affected Basket ETF Share	250, 253, 254
Affected Basket Index	202, 205, 206
Affected Basket Share	184, 187, 188
Affected FX Rate	263
Affiliate	95, 118, 134
Agency Agreement	81, 105, 127
Agents	81, 105, 127
Aggregate Nominal Amount	87, 111
All Exchanges	197
Aluminium	217
ALUMINIUM-LME CASH	217
AMF	384
Announcement Date	173, 238
Annual Report 2011	59
Annual Report 2012	59
Applicable Regulation	173, 174, 191, 192, 209, 231, 238, 239, 258, 266, 281
Asset Terms	76
AUD	97, 118, 135
Authorised Offeror	8
Authorised Offeror(s)	11, 330
Averaging Date	173, 191, 209, 231, 238, 258, 266, 281
Averaging Reference Date	173, 191, 238, 266, 281
Banking Day	97, 118, 135
Base Currency	258, 266
Base Level	278
Base Prospectus	1
Basket Performance	153, 160, 164
Bearer Securities	82
Benchmark Obligation Default	258
Benchmark Obligation(s)	258
Bond Basis	87, 111
Branch	81, 106, 128
break cost	377
Brent Crude Oil	218
Brent Crude Oil Commodity Contract	218
Bullion	209
Bullion Reference Dealers	209
Business Centre	87, 111
business day	83, 93
Business Day	87, 111
Calculation Agent(s)	81, 105, 127
Calculation Period	87, 111
Call Option	163
CAN	97, 118, 135
Cash Index	291
Cash Index Level	291
CBOT	209
CDIs	9, 37, 335
Certificate Agent	105
Certificates	82
CFTC	51
Change in Law	173, 191, 209, 231, 238, 258, 266, 281
Change of Sponsor	266
CHF	97, 118, 135
CISA	387
CISO	387
Clearing System	82
Clearing System Business Day	92, 135
Clearing System(s)	106, 128
Clearstream, Luxembourg	82, 106, 128
CME	209
Coal	218, 219
COAL-NEWCASTLE-GLOBALCOAL	219
COAL-TFS API	2-
ARGUS/MCCLOSKEY'S	218
COAL-TFS API	4-
ARGUS/MCCLOSKEY'S	218
Cocoa	219
Cocoa Commodity Contract	219
COCOA-ICE	219
Coffee	219
COFFEE ARABICA-ICE	219
Coffee Commodity Contract	219
Commodity	209
Commodity Business Day	209
Commodity Business Day Convention	210
Commodity Index	231
Commodity Index Adjustment Events	236
Commodity Index Level	231
Commodity Reference Dealers	209, 210, 214

Commodity Reference Price	210, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229
Common Depository	82
Common Valid Date	174, 192, 239
Component	192, 231, 266
Component Transactions	281
Composite	148
Compounding Dates	291
Comptroller	376
Conditions	81, 105, 127
Consolidated Banking Act	385
Convention	372
Copper	220
Copper Commodity Contract	220
COPPER-COMEX	220
COPPER-LME CASH	220
Corn	220
Corn Commodity Contract	221
CORN-CBOT	220
Cotton	221
Cotton Commodity Contract	221
COTTON NO. 2-ICE	221
Coupon Amount	150
Coupon Cap	154
Coupon Fixing Price	154
Coupon Fixing Price <sub>i</sub>	154, 156
Coupon Floor	154
Coupon Observation Date	154
Coupon Observation Period	155
Coupon Payment Event	155
Coupon Put Performance	156
Coupon Rate	156
Coupon Rate 1	157
Coupon Rate 2	157
Coupon Strike	154, 156
Coupon Threshold	157
Coupon Threshold 1	157
Coupon Threshold 2	157
CRA Regulation	9
CREST Deed Poll	335
CREST Depository Interests	335
CREST Manual	37
Cross-contamination	239
CS	1, 76
CS Cayman	341
CS Deed of Covenant	81, 105, 127
CS PSL	341
CSF BV	341
CSi	1, 76, 340
CSi 2011 Annual Report	59
CSi 2012 Annual Report	59
CSi Annual Reports	344
CSi Deed of Covenant	81, 105, 127
CSI UK	341
CSSF	5, 77
Currency Business Day	97, 118, 135
Currency Pair	258, 266
Currency-Reference Dealers	258
D	277
D1	88, 89, 112, 113
D2	88, 89, 112, 113
Daily Inflation Rate	277
Day Count Denominator	291
Day Count Fraction	87, 111
Decree No. 239	362
Decree No. 58	385
Decree No. 84	366
Delayed Publication or Announcement	211
Delisting	174, 239
Delivery Date	211
Delivery Day	170
Delivery Notice	167, 170
Dependent and Associated Territories	347
Deposit Agreement	174, 240
Designated Maturity	89, 113
Determination Date	89, 113
Determination Period	89, 113
Directive	349, 366
Disappearance of Commodity Reference Price	211
Disappearance of Component Price	231
Disrupted Day	175, 192, 231, 240, 266, 281
Disruption Cash Settlement Price	144, 170
Disruption Fallback	211, 259
Disruption Threshold	192
DKr	97, 118, 135
Dodd-Frank Act	51
Double No-Touch Event	157
Dual Exchange Rate	259
Early Closure	175, 192, 232, 240
Early Payment Amount	97, 119, 135, 144, 146
Elements	11
End Date	277
ESMA	9
ETF	240
ETF Share	240
ETF Share Basket	240
EU	349
EU CRA	9
EU Withholding Tax	349
EUR	97, 118, 135
EURIBOR	42
Eurobond Basis	88, 112
Euroclear	82, 106, 128
Euroclear Finland	99, 121, 138
Euroclear Finland Rules	99, 121, 138
Euroclear Sweden	101, 123, 140
Euroclear Sweden Rules	101, 123, 140
Event Currency	259
Event Currency Jurisdiction	259
Event of Default	93, 115, 132
Exchange	175, 193, 211, 232, 240
Exchange Business Day	175, 193, 240
Exchange Disruption	175, 193, 240
Exercise Business Day	135
Exercise Date	135, 145
Exercise Notice	91, 130

## Index of Defined Terms

Exercise Period	129	FX Rate Sponsor	260, 267
Expiration Date	136	Gas Oil	222
Extraordinary Dividend	175, 240	Gas Oil Commodity Contract	222
Extraordinary Event	175, 240	GAS OIL-ICE	222
Extraordinary Resolution	97, 119, 136	GASOLINE RBOB-NEW YORK-NYMEX	222
Fallback Bond	277	GBP	97, 118, 135
Fallback Reference Dealers	211	General Certificate Conditions	76, 105
Fallback Reference Price	211, 259	General Conditions	148, 176, 194, 211, 232, 242, 260, 267, 277, 281, 291
FATCA	346	General Inconvertibility	260
FCA	340	General Non-Transferability	260
FDAP	346	General Note Conditions	76, 81
Feeder Cattle	221	General Warrant Conditions	76, 127
Feeder Cattle Commodity Contract	221	Global Certificate	82
FEEDER CATTLE-CME	221	Global Security	82, 105, 127
Final Basket Performance	160	Gold	211
Final Fixing Date	148	Gold Commodity Contract	222
Final Price	148	GOLD-A.M. FIX	222
Final Pricei	160, 162, 163	GOLD-COMEX	222
Final Share Price	175, 240	GOLD-P.M. FIX	223
Final Terms	76, 81, 105, 127	Governmental Authority	260
Financial Centre	97, 119, 136	Governmental Authority Default	260
Financial Transaction	380	Group	338
First Nearby Month	213	Heating Oil	223
Fiscal Agent	81	Heating Oil Commodity Contract	223
Fitch	9	HEATING OIL-NEW YORK-NYMEX	223
Floating Rate	85, 109	Hedge Positions	176, 194, 242
Floating Rate Option	85, 109	Hedge Proceeds	176, 194, 212, 232, 242, 260, 267, 281
Floor	160	Hedging Arrangements	176, 194, 212, 232, 243, 261, 267, 281
Following Commodity Business Day Convention	210	Hedging Disruption	176, 194, 212, 232, 243, 261, 267, 281
Following FX Business Day Convention	259	Hedging Shares	177, 243
Foreign Ownership Event	175, 193, 241	HK\$	97, 118, 135
Form 6-K Dated 24 April 2013	59	HKD	97, 118, 135
Form 6-K Dated 8 May 2013	59	HMRC	349
Form 6-K/A Dated 22 March 2013	59	holder	82, 99, 101, 103, 106, 122, 123, 125, 128, 139, 140, 142
Fractional Amount	170	i	154, 156, 163
Fractional Cash Amount	97, 119, 170	ICE	212
FRS 39	379	Illegality	91, 114, 131
FRS 39 Circular	379	Illiquidity	261
FTT	380	Illiquidity Valuation Date	261
FTT Member States	380	Increased Cost of Hedging	177, 194, 212, 232, 243, 261, 267, 282
Fund	241, 362	Increased Cost of Stock Borrow	177, 243
Fund Administrator	241	Index	195
Fund Adviser	241	Index Adjustment Event	195, 267, 282
Fund Documents	241	Index Basket	195
Fund Insolvency Entity	241	Index Calculation Agent Event	267
Fund Insolvency Event	241	Index Cancellation	195, 268, 282
Fund Modification	242	Index Disruption	195, 268, 282
Futures Contract	211	Index Disruption Event	268
FX Business Day	259	Index Level	195
FX Business Day Convention	259	Index Modification	195, 268, 282
FX Calculation	260, 266	Index Sponsor	243
FX Disruption	175, 193, 242	Inflation Index	277
FX Disruption Hedge	176, 194, 242	Information Source	337
FX Index	266		
FX Index Basket	267		
FX Index Level	267		
FX Page	260, 267		
FX Rate	260, 267		

Initial Averaging Date	177, 195, 212, 232, 243, 261, 268, 282
Initial Compounding Date	291
Initial Setting Date	148, 177, 195, 212, 232, 243, 261, 268, 282
Initial Stock Loan Rate	177, 244
Insolvency	177
Insolvency Disruption Event	268
Insolvency Filing	177
Interest Amount	89, 113
Interest Commencement Date	89, 113
Interest Payment Date	89, 113
Interest Period	89, 102, 113
Interest Rate Index	282
Interest Rate Index Basket	282
Interest Rate Index Level	282
Interim Payments	107
Interim Valuation Date	178, 196, 212, 232, 244, 261, 268, 282
Intermediary	363
Investor	8
IRAP	362
IRAS	375
IRC	373
IRES	362
Iron Ore	223
IRON ORE-PRICE	223
IRPEF	363
IRS	372
ISDA Definitions	89, 114
ISDA Rate	85, 109
Issue Date	97, 119, 136, 148
Issue Price	98, 136
Issuer	1, 12, 76
Issuer Determination	212, 261
Issuers	1, 76
ITA	375
JPY	97, 118, 135
Jurisdictional Event	46, 178, 196, 212, 232, 244, 261, 269, 283
Jurisdictional Event Jurisdiction	178, 196, 213, 233, 244, 262, 269, 283
Kansas Wheat	224
KCBOT	213
Knock-in Barrier	160
Knock-in Event	160
Knock-in Event Override Condition	164
Knock-in Fixing Price	161
Knock-in Fixing Pricei	160
Knock-in Observation Date	161
Knock-in Observation Period	162
Latest Level	278
Law on Public Offerings	384
LBMA	213
Lead	224
LEAD-LME CASH	224
Lean Hogs	224
Lean Hogs Commodity Contract	224
LEAN HOGS-CME	224
Level	148
LevelPrior	291
LIBOR	41
Live Cattle	225
Live Cattle Commodity Contract	225
LIVE CATTLE-CME	225
LME	213
Local Jurisdiction	178, 196, 244
London Gold Market	222, 223
London Silver Market	227
Loss of Stock Borrow	178, 244
Lower Barrier	158
LPPM	213
Luxembourg Prospectus Law	5, 78
M1	87, 88, 111, 112
M2	87, 88, 112, 113
Market Disruption Event	178, 196, 213, 233, 244, 262, 269, 283
MAS	376
Material Change in Circumstance	262
Material Change in Content	213, 233
Material Change in Formula	213, 233
Maturity Date	98, 119
Max	162
Maximum Days of Disruption	178, 197, 213, 245, 262, 269, 283
Maximum Exercise Number	136
Maximum Stock Loan Rate	179, 245
Merger Date	179, 245
Merger Event	179, 245
MIL(t)	277
MIL(t1)	277
Minimum Amount	262
Minimum Exercise Number	136
Minimum Participation	158
Modified Following Commodity Business Day Convention	210
Modified Following FX Business Day Convention	259
Modified Postponement	183, 186, 187, 201, 204, 205, 249, 252, 254, 271, 273, 285, 287
Monte Titoli	82, 106, 128
Moody's Inc.	9
Multi-Exchange Index	197
N	158, 277, 291
Nationalisation	179, 245, 262
Natural Gas	225
Natural Gas Commodity Contract	225
NATURAL GAS-NYMEX	225
Nearby Month	213
Nearest Commodity Business Day Convention	210
Nearest FX Business Day Convention	259
Nickel	226
NICKEL-LME CASH	225
Nkr	97, 118, 135
No Adjustment	210, 259
NOK	97, 118, 135
Nominal Amount	82, 149
non-EU CRA	9

## Index of Defined Terms

Non-Event Currency .....	262	Programme .....	1
Non-exempt Offer .....	11, 383	Proprietary Index.....	197
Number of FX Settlement Days.....	262, 269	Prospectus Directive .....	1, 293, 383
NYMEX .....	213	QDS Plus Scheme .....	378
Observation Date.....	179, 197, 233, 245, 269, 283	Qualifying Income .....	376
Observation Period.....	179, 197, 233, 245, 269, 283	Rate.....	158
OFF .....	355	Rate Calculation Date .....	263
OIL-BRENT-ICE .....	218	Rate of Interest .....	90, 114
Oil-WTI-NYMEX.....	229	Rate of Premium .....	90, 114
Omission.....	182, 185, 186, 200, 203, 204, 249, 251, 253, 271, 272, 284, 286	RatePrior .....	291
one-tier system .....	378	Ratio.....	171
Optional Redemption Amount .....	164	RBOB Gasoline.....	226
Optional Redemption Date .....	164	RBOB Gasoline Commodity Contract..	226
OTC .....	51	Rebased Index.....	280
Palladium .....	213	Record Date.....	92, 108, 130
PALLADIUM-P.M. FIX.....	226	Redemption Amount .....	98, 119, 162
Participation .....	158	Redemption Amount Cap .....	162
Paying Agents.....	81, 105, 127	Redemption Amount Floor .....	162
Payment Date.....	278	Redemption Option Percentage .....	162
Physical Settlement.....	170	Redemption Participation.....	162
Physical Settlement Option Notice .....	167	redemption premium.....	378
Physical Settlement Option Notice Period .....	170	Redemption Return.....	162
Physical Settlement Trigger Event .....	170	Reference Currency.....	180, 197, 246, 263, 269
Physical Settlement Trigger Event Barrier .....	171	Reference Currency Notional Amount.	263
Physical Settlement Trigger Observation Date .....	171	Reference Date.....	180, 197, 214, 233, 246, 269, 283
Platinum.....	213	Reference Dealers .....	214, 263
PLATINUM-P.M. FIX .....	226	Reference Index.....	246
Postponement.....	183, 185, 187, 200, 203, 205, 213, 249, 251, 253, 262, 271, 273, 285, 287	Reference Level.....	278
Potential Adjustment Event .....	179, 246	Reference Month .....	278
PRA .....	340	Reference Rate .....	291
Preceding Commodity Business Day Convention.....	210	Register.....	82, 99, 101, 106, 128
Preceding FX Business Day Convention .....	259	Registered Global Security .....	106, 128
Premium Amount.....	90, 114	Registered Notes .....	82
Premium Commencement Date .....	90, 114	Registered Securities.....	82, 121, 123, 125, 138, 140, 142
Premium Payment Date .....	90, 114	Registrar .....	81, 105, 127
Premium Period .....	90, 102, 114	Regulation No. 11971 .....	385
prepayment fee.....	377	Regulatory Action.....	246
Presentation Date .....	171	Related Bond .....	278
Presentation Date Notice Period .....	171	Related Exchange.....	180, 247
Price Materiality .....	263	Related Exchange(s) .....	180, 197, 246
Price Materiality Percentage.....	263	related party .....	377
Price Source .....	213, 233	Related Shares .....	196
Price Source Disruption .....	213, 233, 263	relevant capital gain.....	351
Primary Lag .....	277	Relevant Currency .....	180, 198, 247
Primary Rate.....	263	Relevant Date .....	93, 262
principal .....	92	Relevant Exchange Rate .....	136, 198
Principal Certificate Agent .....	105	Relevant Implementation Date .....	383
Principal Warrant Agent.....	127	Relevant Level .....	278
Proceedings.....	98, 120, 137	Relevant Member State .....	383
Product Conditions .....	76, 148	Relevant Notes .....	376
		Relevant Party .....	268
		Relevant Payments.....	345
		Relevant Price.....	214
		Relevant Taxing Jurisdictions .....	345
		Renouncement Notice .....	145
		Replacement ETF Share .....	255
		Replacement Share .....	189

Repudiation.....	263	Specific Inconvertibility.....	264
Required Exchange.....	198	Specific Non-Transferability.....	264
Reset Date.....	85, 109	Specified Currency.....	264
RP.....	162	Specified Page.....	291
Scheduled Averaging Date.....	180, 198, 233, 247, 269, 283	Specified Price.....	214, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230
Scheduled Averaging Reference Date.....	180, 198, 247, 269, 283	Specified Time.....	264, 270
Scheduled Closing Time.....	181, 198, 233, 247	Sponsor.....	199, 234, 270, 278, 283
Scheduled Initial Averaging Date.....	181, 198, 233, 247, 269, 283	Spot Rate.....	171
Scheduled Initial Setting Date.....	181, 198, 233, 247, 269, 283	Standard & Poor's.....	9
Scheduled Interim Valuation Date.....	181, 198, 234, 247, 269, 283	Strategy Breach.....	247
Scheduled Reference Date.....	181, 198, 234, 247, 269, 283	Strike Cap.....	149
Scheduled Trading Day.....	181, 198, 234, 247, 269, 283	Strike Cap Percentage.....	149
Scheduled Valuation Date.....	181, 199, 234, 247, 270, 283	Strike Floor.....	149
SEC.....	59	Strike Floor Percentage.....	149
Second Nearby Month.....	213	Strike Price.....	149
Secondary Lag.....	277	Strike Price <sub>i</sub> .....	154, 156, 160, 163
Secondary Rate.....	263	Substitute.....	94, 117, 134
Securities.....	1, 76, 147	Substitute Index Level.....	278
Securities Act.....	9, 15, 382	Successor Index.....	207, 236, 256, 274, 279, 288
Securityholder.....	15, 82, 99, 101, 103, 106, 122, 123, 125, 128, 139, 140, 142	Successor Sponsor.....	207, 236, 274, 288
SEK.....	97, 118, 135	Sugar.....	228
Series.....	11, 76	Sugar #11 (World)-ICE.....	228
Settlement Amount.....	136, 163	Sugar Commodity Contract.....	228
Settlement Currency.....	15, 98, 119, 136, 149	Sum of Previously Paid Coupons.....	158
Settlement Date.....	136	Swap Transaction.....	85, 109
Settlement Disruption Event.....	171	t.....	158
SFA.....	387	TARGET Business Day.....	98, 119, 136
Sfr.....	97, 118, 135	TARGET2 System.....	119, 136
SGD.....	97, 118, 135	Tax Disruption.....	214, 234
SGRs.....	363	Tender Offer.....	181, 247
Share.....	181, 199	Tender Offer Date.....	181, 247
Share Amount.....	98, 119, 171	Terms and Conditions.....	81, 105, 127
Share Basket.....	181	Third Countries.....	347
Share Delivery Date.....	171	Tin.....	229
Share Issuer.....	181	TIN-LME-CASH.....	228
Share Price.....	181, 247	Trade Date.....	181, 199, 214, 234, 247, 264, 270, 284
Silver.....	214	Trading Disruption.....	181, 199, 214, 234, 248
Silver Commodity Contract.....	227	Tranche.....	76
SILVER-COMEX.....	227	Transfer Agents.....	81
SILVER-FIX.....	227	Transferable Number of Securities.....	119, 136
SIMs.....	363	Trigger Barrier.....	164
Single-Exchange Index.....	199	Trigger Barrier Fixing Price.....	165
Sixth Nearby Month.....	213	Trigger Barrier Observation Date.....	165
SKr.....	97, 118, 135	Trigger Barrier Observation Period.....	165
Soybean Oil.....	228	Trigger Barrier Redemption Amount.....	164
Soybean Oil Commodity Contract.....	228	Trigger Barrier Redemption Date.....	165
SOYBEAN OIL-CBOT.....	228	Trigger Event.....	165
Soybeans.....	227	Trigger Redemption.....	164
Soybeans Commodity Contract.....	227	TUIR.....	362
SOYBEANS-CBOT.....	227	U.S.\$.....	97, 118, 135
		Underlying Asset.....	2, 149
		Underlying Asset Return.....	149
		Underlying Index.....	337
		Underlying Securities.....	37, 335
		Upper Barrier.....	158

## Index of Defined Terms

USD .....	97, 118, 135	Wheat Commodity Contract.....	224, 229
Valid Date .....	182, 199, 248, 270, 284	WHEAT HRW-KCBOT .....	223
Valuation Date.....	136, 182, 199, 215, 235, 248, 264, 270, 284, 291	WHEAT-CBOT .....	229
Valuation Date <sub>t</sub> .....	291	Worst Final Price.....	163
Valuation Time.....	182, 199, 248, 264, 270, 284, 291	Worst Performing Underlying Asset.....	149
VAT .....	348	Worst Strike Price .....	163
Verification Date .....	136	WTI.....	229
VPS.....	103, 125, 142	WTI Commodity Contract.....	229
VPS Rules .....	103, 125, 142	WTI Crude Oil .....	229
Warrant Agent.....	127	Y1.....	87, 88, 111, 112
Weighting <sub>i</sub> .....	154, 156, 160, 163	Y2.....	87, 88, 111, 112
Wheat .....	229	year of disposal .....	351
		Zinc .....	230
		ZINC-LME CASH .....	229