

## SUMMARY AND SECURITIES NOTE



**Credit Suisse AG**

**Up to EUR 25,000,000 Notes with Call Option linked to a Basket of Funds, due October 2021**

**(the "Notes" or the "Securities")**

**Series SPLB2013-268**

**Issue Price: 100 per cent. (100%) of the Aggregate Nominal Amount**

**(ISIN: XS0953306064)**

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the "**Summary**") and Part Two is a securities note (the "**Securities Note**"). The Summary and Securities Note contain information relating to the above Securities.

The Summary and Securities Note shall be read in conjunction with the registration document (the "**Original Registration Document**") dated 8 April 2013, as supplemented by a supplement to the Registration Document dated 13 May 2013, a supplement to the Registration Document dated 11 July 2013 and a supplement to the Registration Document dated 31 July 2013 (the Original Registration Document as so supplemented, the "**Registration Document**") containing information in respect of Credit Suisse AG, acting through its London Branch (the "**Issuer**").

Together, the Registration Document, the Summary and the Securities Note constitute a "prospectus" (the "**Prospectus**") for the Securities, prepared for the purposes of Article 5.3 of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**").

23 August 2013

## TABLE OF CONTENTS

	<b>Page</b>
IMPORTANT NOTICES .....	3
PART ONE .....	7
SUMMARY RELATING TO THE UP TO EUR 25,000,000 NOTES WITH CALL OPTION LINKED TO A BASKET OF FUNDS, DUE OCTOBER 2021.....	7
PART TWO .....	21
SECURITIES NOTE.....	21
RISK FACTORS.....	22
TERMS AND CONDITIONS OF THE SECURITIES .....	30
GENERAL TERMS AND CONDITIONS OF THE SECURITIES .....	30
ASSET TERMS.....	50
SPECIFIC TERMS .....	60
SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM .....	68
INFORMATION RELATING TO THE ASSET COMPONENTS.....	71
TAXATION .....	72
SELLING RESTRICTIONS .....	83
GENERAL INFORMATION.....	86

## IMPORTANT NOTICES

### Responsibility statement

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this document at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

### Post issuance information

The Issuer will not be providing any post issuance information, except if required by any applicable laws and regulations.

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

This Summary and Securities Note accompanied by the Registration Document has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under the Prospectus Directive. The CSSF only approves this Summary and Securities Note accompanied by the Registration Document as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive. The CSSF gives no undertaking as to the economic and financial soundness of the Securities and quality or solvency of the Issuer.

The Issuer has requested the CSSF to provide the competent authority for the purposes of the Prospectus Directive in Belgium with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that this document has been drawn up in accordance with the Prospectus Directive.

### No Investment Advice

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this document. The 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 document. This document 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 document.

### Consent to use this document

The Issuer consents to the use of this document 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 herein.

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 document under Article 18 of the Prospectus Directive, provided that it shall be a condition of such consent that this document 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 herein.

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of this Summary and Securities Note, (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 Issuer accepts responsibility for the content of this document 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 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 Issuer has not authorised (and nor has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this document by any person. No financial intermediary or any other person is permitted to use this document in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the Issuer (or any Dealer) and neither the 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 Issuer will not be a party to any such arrangements and, accordingly, this document 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.

#### **Potential for Discretionary Determinations by the Issuer or the Calculation Agent under the Securities**

Under the terms and conditions of the Securities, following the occurrence of certain events outside of its control, the Issuer or the Calculation Agent (as the case may be) 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 and/or the Hedging Entity, or both. It is possible that any such discretionary determination by the Issuer or the Calculation Agent 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 or the Calculation Agent: (a) external events affecting the Asset Components and (b) external events affecting the Issuer's and/or the Hedging Entity'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 early redeem the Securities.

- (a) External events which affect the Asset Components: The fundamental investment objective of the Securities is to allow an investor to gain an economic exposure to the Asset Components. If an Asset Component is materially impacted by an unexpected event – for example, the investment objectives, strategies, restrictions and requirements of an Asset Component are materially modified or there is a sub-division, consolidation, reclassification, a distribution or dividend of the shares or units in an Asset Component – then it may not be possible to achieve the investment objective of the Securities based on the original terms and conditions of the Securities. There are many different external events that may impact an Asset Component.
- (b) External events which affect the Issuer's or the Hedging Entity's hedging arrangements: The Issuer and/or the Hedging Entity will enter into hedging arrangements in order to manage the Issuer's 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 Asset Components, the hedging arrangements may comprise holding the Asset Components directly, entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Asset Components or to hedge the currency or price risk in relation to the Asset Components or the Securities. Accordingly, if an external event occurs which negatively impacts the Issuer's or the Hedging Entity's hedging arrangements, or if there is a material change in any fee arrangement that is in place on the Issue Date between the Hedging Entity and an Asset Component or the relevant Fund Manager, the Issuer has available to it options which it may select in its discretion in order to deal with the impact of such event.

Broadly, depending on the terms and conditions of the particular Securities, the Issuer or the Calculation Agent (as the case may be) 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 (including any amount payable) to account for the economic effect of the external event on the Securities. This could result in a reduced return on the Securities than would otherwise be received.
- (b) Substitutions of the Asset Component(s): Following an "Asset Substitution Event" in relation to an Asset Component, the Issuer may substitute the original Asset Component with one or more replacement funds 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 "Asset Substitution Event" and/or replacement of the original Asset Component. Any such substitution and potential adjustment could have a material adverse impact on the value of the Securities.
- (c) Calculation of Final Redemption Amount by reference to the Defeasance Upside Amount: Following an "Asset Defeasance Event", the Final Redemption Amount payable will be calculated by reference to the Defeasance Upside Amount instead of the Upside Participation. The Defeasance Upside Amount is likely to be less than the Upside Participation.

The Issuer or the Calculation Agent (as the case may be) 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. In considering whether and how to make such a discretionary determination, the Issuer or the Calculation Agent (as the case may be) shall act in good faith and in a commercially reasonable manner. Further, the Issuer or the Calculation Agent (as the case may be) 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(f) (*The Securities may be redeemed prior to their scheduled maturity*), 4(b) (*Consequences of Asset Adjustment Events*), 4(c) (*Consequences of Asset Disruption Events*), 4(d) (*Consequences of Asset Substitution Events*) and 4(e) (*Consequence of Asset Defeasance Events*) for more information.

#### **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 the Registration Document, the Summary or the Securities Note, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Registration Document, the Summary or the Securities Note. The Prospectus does not constitute an offer of Securities, and may not be used for the purposes of an offer or solicitation by anyone, in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of the Prospectus in any jurisdiction where any such action is required except as specified herein.

**The distribution of this document is restricted**

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession the Registration Document, the Summary or the Securities Note comes are required by the 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" of this document.

**United States restrictions**

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exemptions, the Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set forth in the section entitled "Selling Restrictions" of this document.

## PART ONE

## SUMMARY RELATING TO THE UP TO EUR 25,000,000 NOTES WITH CALL OPTION LINKED TO A BASKET OF FUNDS, DUE OCTOBER 2021

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 this type 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 Issuer, 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".

Section A – Introduction and Warnings		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<p>This Summary should be read as an introduction to this document.</p> <p>Any decision to invest in Securities should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document 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 this document 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 this document or it does not provide, when read together with the other parts of this document, 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 this document 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 of Authorised Offeror(s): VDK Spaarbank N.V. Sint-Michielsplein 16 9000 Gent Belgium</p> <p>(b) Offer period for which use of the Prospectus is authorised by the Authorised Offeror(s): From, and including 26 August 2013 to, and including, 5:00 p.m., Central European Time on 30 September 2013</p> <p>(c) Conditions to the use of the Prospectus by the Authorised Offeror(s): The 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.</p>

		<p><b>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 document 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.</b></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 branch.
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuers operates and country of incorporation of Issuer:</b>	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.
<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 Issuer's 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 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</p>



		<p>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>A summary organisation chart is set out below:</p> <div style="text-align: center;"> <pre> graph TD     A[Credit Suisse Group AG] --- 100%  B[Credit Suisse AG] </pre> </div>																																																
<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>	<table border="0"> <thead> <tr> <th style="text-align: left;"><i>In CHF million</i></th> <th colspan="2" style="text-align: center;"><i>Year ended 31 December</i></th> </tr> <tr> <th></th> <th style="text-align: center;"><i>2012</i></th> <th style="text-align: center;"><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 style="text-align: right;">23,533</td> <td style="text-align: right;">25,187</td> </tr> <tr> <td>Total operating expenses</td> <td style="text-align: right;">(21,472)</td> <td style="text-align: right;">(22,563)</td> </tr> <tr> <td>Net income/loss</td> <td style="text-align: right;">1,495</td> <td style="text-align: right;">2,042</td> </tr> <tr> <td colspan="3"><b>Selected balance sheet data</b></td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">908,160</td> <td style="text-align: right;">1,034,787</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">865,999</td> <td style="text-align: right;">996,436</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">42,161</td> <td style="text-align: right;">38,351</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><i>Six months ended 30 June (unaudited)</i></td> </tr> <tr> <td></td> <td style="text-align: center;"><i>2013</i></td> <td style="text-align: center;"><i>2012</i></td> </tr> <tr> <td colspan="3"><b>Selected income statement data</b></td> </tr> <tr> <td>Net Revenue</td> <td style="text-align: right;">13,942</td> <td style="text-align: right;">12,037</td> </tr> <tr> <td>Total operating expenses</td> <td style="text-align: right;">(10,552)</td> <td style="text-align: right;">(10,871)</td> </tr> <tr> <td>Net income/loss</td> <td style="text-align: right;">2,414</td> <td style="text-align: right;">857</td> </tr> </tbody> </table>	<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	Total equity	42,161	38,351		<i>Six months ended 30 June (unaudited)</i>			<i>2013</i>	<i>2012</i>	<b>Selected income statement data</b>			Net Revenue	13,942	12,037	Total operating expenses	(10,552)	(10,871)	Net income/loss	2,414	857
<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																																																
Total equity	42,161	38,351																																																
	<i>Six months ended 30 June (unaudited)</i>																																																	
	<i>2013</i>	<i>2012</i>																																																
<b>Selected income statement data</b>																																																		
Net Revenue	13,942	12,037																																																
Total operating expenses	(10,552)	(10,871)																																																
Net income/loss	2,414	857																																																

		<i>Six months ended 30 June 2013 (unaudited)</i>	<i>Year ended 31 December 2012</i>
		<b>Selected balance sheet data</b>	
		Total assets	902,216
		Total liabilities	908,160
		Total equity	857,759
		44,457	42,161
		There has been no material adverse change in the prospects of the Issuer since 31 December 2012. There has been no significant change in the financial or trading position of the Issuer since 30 June 2013.	
<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> <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>	
<b>B.16</b>	<b>Ownership and control of the Issuer:</b>	See Element B.5 above.	
<b>Section C – Securities</b>			
<b>C.1</b>	<b>Type and class of securities being offered:</b>	<p>The Securities are Notes.</p> <p>The Securities are uniquely identified by <b>ISIN</b>: XS0953306064;</p>	

		<b>Common Code:</b> 095330606.
<b>C.2</b>	<b>Currency:</b>	The currency of the Securities will be euro ("EUR") (the " <b>Specified 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></p> <ul style="list-style-type: none"> <li>• The Securities will give each holder of Securities (a "<b>Securityholder</b>") the right to receive potential return on the Securities (see Element C.18 below).</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 Securities will give each Securityholder the right to vote on certain amendments (if any).</li> <li>• The Securities are governed by English law</li> </ul> <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 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. In such case, the amount payable on such early redemption (the "<b>Early Redemption Amount</b>") will be equal to the prevailing bid price per Security which the Issuer would quote to a market participant for the purchase of a Security.</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 Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following an Asset Adjustment Event, a Basket Disruption Event, a Market Disruption Event or an Asset Substitution Event.</li> </ul>

		<p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Asset Adjustment Event:</b> Asset Adjustment Events in respect of an Asset Component include: (a) a subdivision, consolidation or reclassification of the shares or units in such Asset Component, (b) where the Issuer determines that the published Official Net Asset Value of the Asset Component is not accurate or any transaction in respect of such Asset Component could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (c) the inability of the Hedging Entity (being Credit Suisse International or any affiliate as counterparty to the Issuer's hedging arrangements in respect of the Securities) to liquidate the shares or units in such Asset Component in accordance with the relevant subscription and redemption terms or any change in such terms, (d) any event having a diluting or concentrative effect on the theoretical value of the shares or units in such Asset Component, (e) a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders or the Hedging Entity suffers or would suffer such adverse treatment as a result, and (f) a material change in any fee arrangement that is in place on the Issue Date between the Hedging Entity and an Asset Component or the relevant Fund Manager.</li>   <li>• <b>Asset Substitution Event:</b> Asset Substitution Events in respect of an Asset Component include: (a) events relating to the insolvency or winding up of the Asset Component or any service provider, (b) an investigation by any applicable regulatory body into the activities of the Asset Component or any service provider for reasons of any alleged wrongdoing or breach of rules which would have a material effect on the value of the Asset Component, (c) loss of an applicable licence or regulatory authorisation applying to the Asset Component or a service provider, (d) any legal proceedings against the Asset Component or any service provider which, if successful, would have a material effect on the value of the Asset Component, (e) a material change to the legal constitution or management of the Asset Component, (f) a material modification of the investment objectives and strategy of the Asset Component, (g) a material breach of the investment objectives and strategy of the Asset Component which has not been cured within 5 calendar days (provided that the cure period does not apply to any third or subsequent breach), (h) a change in the fund manager of the Asset Component, (i) the aggregate net asset value of the Asset Component decreases by more than 40 per cent. since the Initial Valuation Date, (j) the aggregate net asset value of assets managed by the relevant fund manager decreases by more than 40 per cent. since the Initial Valuation Date, (k) the accounting currency of the Asset Component changes, (l) certain events relating to the liquidity of the Asset Component or the implementation of taxes and other charges which are not remedied reasonably promptly by the Asset Component (or within the relevant cure periods) to the satisfaction of</li> </ul>
--	--	---

		<p>the Issuer and which has a material effect on the ability of the Hedging Entity to hedge its obligations in respect of the Securities.</p> <ul style="list-style-type: none"> <li>• <b>Basket Disruption Event:</b> Basket Disruption Events in respect of an Asset Component include: (a) any failure, suspension or postponement in the reporting or publishing of the Official Net Asset Value in respect of the Asset Component as scheduled or any event preventing the receipt of such Official Net Asset Value, (b) where the Issuer determines that the published Official Net Asset Value of the Asset Component is not accurate or any transaction in respect of such Asset Component could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (c) the inability of a hypothetical investor to liquidate the shares or units in such Asset Component, (d) a postponement, suspension or failure of the Asset Component to make any payment in respect of the redemption of any interest in the Asset Component as scheduled, and (e) the Hedging Entity is not permitted to subscribe for or redeem interests in the Asset Component in accordance with the Asset Component's offering document.</li> <li>• <b>Market Disruption Event:</b> Market Disruption Events include: (a) when the foreign exchange market or money market in U.S. dollars or euros is or are closed otherwise than for ordinary public holidays or if trading is restricted or suspended, and this would have a material impact on the ability of the Calculation Agent to calculate the value of the Securities or to execute a hedge in respect of the Securities, and (b) where there is a breakdown of any means of communication normally used for the valuation by the Calculation Agent of the Asset or if the Issuer or the Calculation Agent is informed, or determines, that the last reported Official Net Asset Value should not be relied upon.</li> <li>• The Issuer may at any time, without the consent of the Securityholders, substitute for itself as principal debtor under the Securities an affiliate of the Issuer having an equal or higher long-term unsecured debt rating than that of the Issuer or having the benefit of a guarantee from the Issuer or another affiliate of the Issuer with such a debt rating.</li> </ul>
<b>C.11</b>	<b>Admission to trading:</b>	Not applicable; the Securities will not be admitted to trading on any exchange.
<b>C.15</b>	<b>Effect of the underlying instrument(s) on value of investment:</b>	<p>The value of the Securities and the Final Redemption Amount payable in respect of Securities being redeemed on the Maturity Date will depend on the performance of each Asset Component in the Asset on the Observation Dates. If the weighted average performance of each Asset Component (such performance being the ratio of (a) the average value of such Asset Component over the Observation Dates to (b) the value of such Asset Component on the Initial Valuation Date) is lower than or equal to the Strike, then at final maturity you will receive the amount of EUR 1,000 with no positive return.</p> <p>See Element C.18 below.</p>

<b>C.16</b>	<b>Scheduled Maturity Date:</b>	18 October 2021.																				
<b>C.17</b>	<b>Settlement Procedure:</b>	The Securities will be delivered by the Issuer against payment of the issue price. The Securities are cleared through Euroclear Bank S.A./N.V. and/or Clearstream Banking, société anonyme.																				
<b>C.18</b>	<b>Return on Derivative Securities:</b>	<p>Unless the Securities have been previously redeemed or purchased and cancelled, the return on the Securities will derive from the payment of the Final Redemption Amount on the scheduled Maturity Date of the Securities.</p> <p>The "<b>Final Redemption Amount</b>" payable by the Issuer on the Maturity Date in respect of each Security will be an amount equal to the <i>sum</i> of (a) EUR 1,000; and (b) an amount equal to the <i>product</i> of (i) EUR 1,000, and (ii) the greater of (A) the Asset Final <i>minus</i> the Strike, and (B) zero.</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Asset:</b> A notional investment in a basket comprising the Asset Components in accordance with their Initial Weights (as specified in the table at "Asset Component" below) at the Initial Valuation Date and equal to EUR 1 on such date.</li> <li>• <b>Asset Component(s):</b> Each mutual fund included in the Asset (as specified in the table below), subject to replacement following the occurrence of an Asset Substitution Event.</li> </ul> <table border="1" data-bbox="544 1055 1372 1686"> <thead> <tr> <th data-bbox="544 1055 770 1144"><b>Asset Component</b></th> <th data-bbox="770 1055 970 1144"><b>Bloomberg Code</b></th> <th data-bbox="970 1055 1187 1144"><b>ISIN</b></th> <th data-bbox="1187 1055 1372 1144"><b>Initial Weight</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1144 770 1263">Ethna-AKTIV E Fund (Share Class T)</td> <td data-bbox="770 1144 970 1263">ETAKTVE LX</td> <td data-bbox="970 1144 1187 1263">LU0431139764</td> <td data-bbox="1187 1144 1372 1263">25 per cent.</td> </tr> <tr> <td data-bbox="544 1263 770 1413">Carmignac Patrimoine Fund (Share Class A (EUR))</td> <td data-bbox="770 1263 970 1413">CARMPAT FP</td> <td data-bbox="970 1263 1187 1413">FR0010135103</td> <td data-bbox="1187 1263 1372 1413">25 per cent.</td> </tr> <tr> <td data-bbox="544 1413 770 1532">DNCA Eurose Fund (Share Class A (EUR))</td> <td data-bbox="770 1413 970 1532">LEODEFA LX</td> <td data-bbox="970 1413 1187 1532">LU0284394235</td> <td data-bbox="1187 1413 1372 1532">25 per cent.</td> </tr> <tr> <td data-bbox="544 1532 770 1686">Bantleon Opportunities Fund (Share Class L PT)</td> <td data-bbox="770 1532 970 1686">BNOPLPT LX</td> <td data-bbox="970 1532 1187 1686">LU0337414303</td> <td data-bbox="1187 1532 1372 1686">25 per cent.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• <b>Asset Final:</b> The weighted average performance of each Asset Component (such performance being the <i>ratio</i> of (a) the average Official Net Asset Value of such Asset Component over the Observation Dates to (b) the Official Net Asset Value of such Asset Component on the Initial Valuation Date).</li> <li>• <b>Initial Valuation Date:</b> 8 October 2013, subject to adjustment in accordance with the terms and conditions of the Securities.</li> </ul>	<b>Asset Component</b>	<b>Bloomberg Code</b>	<b>ISIN</b>	<b>Initial Weight</b>	Ethna-AKTIV E Fund (Share Class T)	ETAKTVE LX	LU0431139764	25 per cent.	Carmignac Patrimoine Fund (Share Class A (EUR))	CARMPAT FP	FR0010135103	25 per cent.	DNCA Eurose Fund (Share Class A (EUR))	LEODEFA LX	LU0284394235	25 per cent.	Bantleon Opportunities Fund (Share Class L PT)	BNOPLPT LX	LU0337414303	25 per cent.
<b>Asset Component</b>	<b>Bloomberg Code</b>	<b>ISIN</b>	<b>Initial Weight</b>																			
Ethna-AKTIV E Fund (Share Class T)	ETAKTVE LX	LU0431139764	25 per cent.																			
Carmignac Patrimoine Fund (Share Class A (EUR))	CARMPAT FP	FR0010135103	25 per cent.																			
DNCA Eurose Fund (Share Class A (EUR))	LEODEFA LX	LU0284394235	25 per cent.																			
Bantleon Opportunities Fund (Share Class L PT)	BNOPLPT LX	LU0337414303	25 per cent.																			

		<ul style="list-style-type: none"> <li>• <b>Official Net Asset Value:</b> In respect of each Asset Component, the net asset value per unit of such Asset Component as calculated and reported by its administrator for an Asset Business Day.</li> <li>• <b>Observation Date:</b> Each of 4 October 2018, 4 January 2019, 4 April 2019, 4 July 2019, 4 October 2019, 6 January 2020, 6 April 2020, 6 July 2020, 5 October 2020, 4 January 2021, 6 April 2021, 5 July 2021 and 4 October 2021, in each case subject to adjustment in accordance with the terms and conditions of the Securities. There shall be 13 Observation Dates in total.</li> <li>• <b>Strike:</b> 100 per cent.</li> <li>• <b>Weight:</b> In respect of each Asset Component, means the "Initial Weight" as specified in the table at "Asset Component" above corresponding to such Asset Component, subject to adjustment in accordance with the terms and conditions of the Securities.</li> </ul> <p>However, if the Issuer determines that an Asset Defeasance Event has occurred, then the Final Redemption Amount will be an amount in the Specified Currency equal to the sum of (a) EUR 1,000 and (b) the Defeasance Upside Amount.</p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>Asset Defeasance Event:</b> means, in respect of Asset Component, any of the following events: (a) where an Asset Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable Substitute Asset Component; (b) an Asset Disruption Event exists and subsists as of the expiration of a number of days subsequent to the Disrupted Valuation Day equal to the Component Disruption Period; and (c) as a result of (i) any adoption of, or change in, law or regulation or its interpretation, (ii) any determination of a regulatory or taxation authority applicable to the Hedging Entity or Asset Component, or (iii) the application of the Hedging Entity's regulatory capital treatment or funding treatment of the transaction or its associated hedging arrangements or any change thereto, whereupon: (A) it becomes unlawful or prohibited for the Hedging Entity (including any adverse change in restrictions imposed by or on the Hedging Entity) to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Asset Component; (B) the cost of the hedging arrangements in respect of the transaction would be materially increased (including circumstances (I) requiring the Hedging Entity to adversely modify any reserve, special deposit, funding arrangement or similar requirement imposed by or on the Hedging Entity, (II) that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of its hedging arrangements, or (III) which subject the Hedging Entity to any loss or additional taxation); or (C) there would be a material decline in Asset Component Value.</li> <li>• <b>Defeasance Upside Amount:</b> An amount in the Specified Currency (which may be greater than or equal to zero), determined by the Calculation Agent as of the relevant date,</li> </ul>
--	--	---

		<p>equal to the prevailing bid price per Security which the Issuer would quote to a market participant for the repurchase (against a payment on the Maturity Date) of securities with the same terms as the Securities, but with a final redemption amount equal to the Upside Participation. The calculation of the Defeasance Upside Amount will be determined by the Issuer in its sole discretion and is to be based on, <i>inter alia</i>, a realisable value of the Securities as at the relevant Defeasance Date (where such value shall be calculated by reference to (i) the most recent valuations; and/or (ii) the then most current data available, the historical performance of the Asset Components, the level of implied volatility that would otherwise have been taken into account in the calculation of the value of the Securities up to and including the Defeasance Date and the relevant prevailing interest rates and exchange rates. The Calculation Agent shall take into account any Asset Disruption Event or Asset Adjustment Event that affects any determination of the Defeasance Upside Amount in such manner as it sees fit.</p>
<b>C.19</b>	<b>Final reference price of underlying:</b>	The Asset Component (Final Level) of each Asset Component will be determined over each of the 13 Observation Dates.
<b>C.20</b>	<b>Type of underlying(s):</b>	<p>The underlying assets are mutual funds.</p> <p>Information on each Asset Component can be found at the following websites:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.ethnafunds.com/sites/default/files/documents/informationmaterial/verkaufsprospekt/VKP_Ethna-AKTIV_E_EN_0.pdf">http://www.ethnafunds.com/sites/default/files/documents/informationmaterial/verkaufsprospekt/VKP_Ethna-AKTIV_E_EN_0.pdf</a></li> <li>• <a href="http://www.carmignac.fr/_docs/publication/1905/Pub106600.pdf">http://www.carmignac.fr/_docs/publication/1905/Pub106600.pdf</a></li> <li>• <a href="http://www.dncafinance.com/fonds/fonds.aspx?pk=1">http://www.dncafinance.com/fonds/fonds.aspx?pk=1</a></li> <li>• <a href="http://www.bantleon.com/en/institutional_investors/downloads">http://www.bantleon.com/en/institutional_investors/downloads</a></li> </ul>
<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> <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> </ul>



		<ul style="list-style-type: none"> <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 adversely affect the Issuer's business and ability to execute its strategic plans.</li> <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>
D.6	<p><b>Key risks that are specific to the Securities including risk warning that investors may lose value of entire investment or part of it</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 Securities.</li> <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 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</li> </ul>

		<p>illegal 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.</p> <ul style="list-style-type: none"> <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>• The amount payable on the Securities will be based on the arithmetic average of the value of each Asset Component on each of the specified Observation Dates, and not the simple performance of the Asset Components over the term of the Securities. For example, if the value of one or more of the Asset Components dramatically surged on the last of the 14 Observation 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 value of such Asset Components on that Observation Date.</li> <li>• Following the occurrence of an Asset Adjustment Event, the Calculation Agent has discretion to make adjustments to the Final Redemption Amount (or Early Redemption Amount, if applicable) and any determination, estimation or calculation used to calculate such amount; this could have an adverse effect on the value of the Securities and may reduce the amount that would otherwise be payable under the Securities.</li> <li>• Following the occurrence of an Asset Disruption Event, the Calculation Agent has discretion to (a) make any calculation, determination or adjustment of any variable in respect of the Securities and make any payment, using an estimate of such variable, or (b) not make any payment or calculation in respect of the disrupted day and such disrupted day shall be postponed until such Asset Disruption Event has ceased; this could have an adverse effect on the value of the Securities and may reduce the amount that would otherwise be payable under the Securities.</li> <li>• Following the occurrence of an Asset Defeasance Event, the Final Redemption Amount payable will be calculated by reference to the Defeasance Upside Amount instead of the Upside Participation. The Defeasance Upside Amount (which may be greater than zero or zero) will be determined by the Issuer in its sole discretion and is to be based on, <i>inter alia</i>, a realisable value of the Securities as at the relevant Defeasance Date, and is likely to be less than the Upside Participation; this could have an adverse effect on the value of the Securities and may reduce the amount that would otherwise be payable under the Securities.</li> <li>• The performance of a fund is subject to many factors, including (but not limited to) the following: <ul style="list-style-type: none"> <li>• Investments in fund may be illiquid as interests in a fund may be redeemed on specific dates or may be subject to certain transfer restrictions, or a fund may have the right to suspend redemption rights or make in-kind distributions in the event of disruptions;</li> </ul> </li> </ul>
--	--	--

		<ul style="list-style-type: none"> <li>• The strategies used by a fund may not achieve its intended results or investment performance;</li> <li>• The number and diversity of investments held by a fund may be limited;</li> <li>• The fund manager may utilise leverage techniques. While such techniques may increase the opportunity for higher returns, they will generally also increase the risk of loss;</li> <li>• Suspensions or limits for securities listed on a public exchange could render a fund's strategies difficult to complete or continue;</li> <li>• The valuation of a fund may be based on preliminary calculations by the fund manager or its judgement of the fair value of certain investments; if such judgements are incorrect, this may have an adverse effect on the net asset value of the fund; and</li> <li>• The performance of a fund will depend on the experience on the certain key persons associated with the fund manager; the loss of such persons may have a material adverse effect on the performance of a fund.</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 and (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, which may affect the market price, liquidity or value of the Securities.</li> <li>• Investors may lose up to all of their investment if one or more of the following occurs: (a) if the Securities are redeemed early for illegality reasons, (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 an Asset Adjustment Event or an Asset Substitution Event, or (d) investors sell their Securities prior to maturity in the secondary market at an amount that is less than the initial purchase price.</li> </ul>
<b>Section E - Other</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds:</b>	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).
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	<p>The Securities are offered subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• The offer of the Securities is conditional on their issue.</li> <li>• The offer may be cancelled if the Issuer or the 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.</li> </ul>

Summary

		<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Securities will be offered for sale to the public in Belgium during the period from, and including, 26 August 2013 to, and including, 5:00 p.m., Central European Time on 30 September 2013 ("<b>Offer Period</b>"). The Offer Period may be discontinued at any time. The Offer Period may be discontinued at any time.</li> <li>• There is no minimum amount of application.</li> <li>• Payments for the Securities shall be made to the Distributor on the Issue Date.</li> </ul>
<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.6 above.
<b>E.7</b>	<b>Estimated expenses:</b>	There are no estimated expenses charged to the investor by the Issuer. The Distributor will charge purchasers a subscription charge of 1.50 per cent. of the offer price for each Security purchased.

**PART TWO**  
**SECURITIES NOTE**

## RISK FACTORS

**Warning: Even though the Securities provide for scheduled redemption of at least the issue price of the Securities at maturity, you will still be exposed to the credit risk of the Issuer and will lose up to the entire value of your investment if the Issuer either fails or is otherwise unable to meet its 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 Redemption 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 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 Issuer believes that the factors described below may affect its ability to fulfil its 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 Issuer does not express a view on the likelihood of any such contingency occurring.

The Issuer believes 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 Issuer faces or that may arise under the Securities. There will be other risks that the Issuer does not currently consider to be material, or risks that the Issuer is currently not aware of, or risks that arise due to circumstances specific to the investor, and the Issuer does not represent that the statements below regarding the risks of holding the 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 Issuer

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

The profitability of the 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 the risk factors in respect of the Issuer listed on pages 37 to 45 of the Form 20-F Dated 22 March 2013 (as defined in the Registration Document). 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 Issuer's ability to fulfil its obligations under them.

### 3. **Risks relating to the Securities generally**

#### (a) **Loss of investments**

Even though the Securities provide for scheduled repayment of at least the principal amount of the Securities, investors may lose all or part of their investment. Please refer to the section entitled "Warning" above.

In any event, if the amount payable on redemption of the Securities is less than the price at which investors paid for their Securities, investors may lose all or part of their investment.

The 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 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 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 the Security may be less than its Issue Price.

Any secondary market price quoted by the 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 of the Securities.

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

The Issue Price in respect of the Securities may be more than its market value 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) **Tax**

Potential investors in the Securities should take note of the information set out in the section headed "Taxation" of this document. 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.

(f) **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 or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the Early Redemption 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.

4. **Risks relating to particular terms or features of the Securities**

(a) **The effect of averaging**

The amount payable on the Securities will be based on the arithmetic average of the value of each Asset Component on each of the specified Observation Dates, and not the simple performance of the Asset Components over the term of the Securities. For example, if the value of one or more of the Asset Components dramatically surged on the last of the 13 Observation 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 value of such Asset Components on that Observation Date.

(b) **Consequences of Asset Adjustment Events**

Following the occurrence of an Asset Adjustment Event, the Calculation Agent has discretion to make adjustments to the Final Redemption Amount (or Early Redemption Amount, if applicable) and any determination, estimation or calculation used to calculate such amount, to take into account an amount in compensation for a Hypothetical Investor to reflect the risk of holding any Asset Components or hedging arrangements under the Securities. These actions could have an adverse effect on the value of the Securities and may reduce the amount that would otherwise be payable under the Securities.

(c) **Consequences of Asset Disruption Events**

Following the occurrence of an Asset Disruption Event, the Calculation Agent has discretion to (i) make any calculation, determination or adjustment of any variable in respect of the Securities and make any payment, using an estimate of such variable, or (ii) not make any payment or calculation in respect of the Disrupted Valuation Day and such Disrupted Valuation Day shall be postponed until such Asset Disruption Event has ceased. These actions could have an adverse effect on the value of the Securities and may reduce the amount that would otherwise be payable under the Securities.

(d) **Consequences of Asset Substitution Events**



Following the occurrence of an Asset Substitution Event, the Calculation Agent may (i) remove the affected Asset Component, (ii) substitute such affected Asset Component with one or more funds, (iii) adjust the weights of the remaining Asset Components and (iv) make adjustments to the terms and conditions of the Securities. These actions could have an adverse effect on the value of the Securities.

(e) **Consequence of Asset Defeasance Event**

Following the occurrence of an Asset Defeasance Event, the Final Redemption Amount payable will be calculated by reference to the Defeasance Upside Amount instead of the Upside Participation. The Defeasance Upside Amount (which may be greater than zero or zero) will be determined by the Calculation Agent in its sole discretion and is to be based on, *inter alia*, a realisable value of the Securities as at the relevant Defeasance Date, and is likely to be less than the Upside Participation. The Calculation Agent shall take into account any Asset Disruption Event or Asset Adjustment Event that affects any determination of the Defeasance Upside Amount in such manner as it sees fit. These actions could have an adverse effect on the value of the Securities.

5. **Risks associated with Securities that are linked to Asset Components generally**

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

Any information about the past performance of an Asset Component 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 Asset Component that may occur in the future. The value of an 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 Asset Component. Accordingly, before investing in the Securities, investors should carefully consider whether any investment linked to one or more Asset Components is suitable for them.

(b) **No rights of ownership in an Asset Component**

Potential investors in the Securities should be aware that an Asset Component 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 Asset Component referenced by such Securities.

(c) **Currency Risk**

Investors are exposed to currency risks because (i) each Asset Component is denominated or priced in a currency other than the currency in which the Securities are denominated, or (ii) the Securities and/or such Asset Component 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) **Risks associated with Securities linked to a basket of Asset Components**

The following are particular risks associated with Securities linked to a basket of Asset Component:

- (i) *If the basket constituents are highly 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 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:* The terms and conditions of the Securities provide that the Issuer may, in certain circumstances, to substitute an Asset Component affected by an Asset Substitution Event with one or more funds and to adjust the weights of the remaining Asset Components. 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.

## 6. Risks associated with Securities that are linked to funds generally

- (a) **Each fund is subject to its own unique risks and investors should review the offering documents of such fund - including any description of risk factors - prior to making an investment decision regarding any Securities**

Investors should review the relevant fund offering documents, including the description of risk factors contained therein, prior to making an investment decision regarding the Securities. However, neither the Issuer nor any of its affiliates takes any responsibility for any such fund offering documents. Such fund offering documents will include more complete descriptions of the risks associated with investing into the relevant fund and the investments that the relevant fund intends to make. Any investment decision must be based solely on information in the relevant fund offering documents, this document, and such investigations as the investor deems necessary, and consultation with the investor's own legal, regulatory, tax, accounting and investment advisers in order to make an independent determination of the suitability and consequences of an investment in the Securities.

- (b) **The performance of a fund is subject to many factors, including the fund strategies, underlying fund investments, the fund manager and other factors**

A fund, and any underlying fund components in which it may invest, may utilise strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. Funds, and any underlying fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. No assurance can be given relating to the present or future performance of a fund and any underlying fund component in which it may invest. The performance of a fund and any underlying fund component in which it may invest is dependent on the performance of the fund manager in selecting underlying fund components and the management of the relevant component in respect of the underlying fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to funds:

- (i) *Illiquidity of fund investments:* The net asset value of a fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the

performance of a fund's underlying. Investments by a fund in certain underlying assets will provide limited liquidity. Interests in a fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the fund manager's consent (which may be given or withheld in its discretion). Furthermore, the relevant fund offering documents typically provide that interests therein may be voluntarily redeemed only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the fund manager. A fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A fund is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a fund investment entered into by the Hedging Entity for the purposes of hedging that is necessary to meet the requirements of any investment guidelines or tests that the Issuer may have requested. Also, limited liquidity increases the risk that the Issuer may be unable to meet its current obligations during periods of adverse general economic conditions, and insufficient liquidity during the final liquidation of assets of a fund may cause purchasers of the Securities to receive any final distribution after the relevant maturity date.

- (ii) *Reliance on Trading Models*: Some of the strategies and techniques used by the fund manager may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, securities, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of future performance of a fund. If future performance or such correlations vary significantly from the assumptions in such statistical models, then the fund manager may not achieve its intended results or investment performance.
- (iii) *Diversification*: The number and diversity of investments held by a fund may be limited, even where such fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.
- (iv) *Fund leverage*: The fund manager of a fund may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.
- (v) *Trading limitations and frequency*: Suspensions or limits for securities listed on a public exchange could render certain strategies followed by a fund difficult to complete or continue. The frequency of a fund's trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.
- (vi) *Valuations*: The valuation of a fund is generally controlled by the fund manager. Valuations are performed in accordance with the terms and conditions governing the fund. Such valuations may be based upon the unaudited financial records of the fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the fund and accounts. The fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the fund may vary certain quotations for such investments held by the fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the fund assets and/or accounts may have an adverse effect on the net asset value of the fund where such judgements regarding valuations prove to be incorrect.
- (vii) *Dependence on the Expertise of Key Persons*: The performance of a fund will depend greatly on the experience of the investment professionals associated with the fund manager. The loss of one or more of such individuals could have a material adverse effect on the performance of a fund.

**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 Issuer. Save where otherwise provided in the terms and conditions, the 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 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 Issuer may have a negative impact on the value of the Securities.

Each of the 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**

In the ordinary course of its business the 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 Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions 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 Asset Components or the stocks or other components underlying the Asset Components. 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 Asset Components or (if applicable) the underlying 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 date 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 value of the Asset Components or (if applicable) the underlying components. Any of these hedging activities may adversely affect the value of the Asset Components — 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 Issuer (or affiliate) could receive substantial returns with respect to such hedging activities while the value of the Securities may decline.

Moreover, the Issuer (or affiliate) may also engage in trading in one or more of the Asset Components or (if applicable) the underlying components or instruments whose returns are linked to the Asset Components or (if applicable) the underlying 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 Issuer (or affiliate) could adversely affect the level, price, rate or other applicable value of the Asset Components — directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the underlying components — and therefore, the value of the Securities. The Issuer (or affiliate) may issue or underwrite, other securities or financial or derivative instruments with returns linked to changes in the value of the Asset Components or (if applicable) one or more of the underlying components, as applicable. By introducing competing products into the marketplace in this manner, the Issuer (or affiliate) could adversely affect the value of the Securities.

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

The 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 Asset Components and any derivative instruments referencing them. Neither the Issuer 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.

## TERMS AND CONDITIONS OF THE SECURITIES

### GENERAL TERMS AND CONDITIONS OF THE SECURITIES

*The following is the text of the general terms and conditions that, subject to the relevant Asset Terms and the relevant Specific Terms, shall be applicable to the Securities in definitive form (if any) issued in exchange for the Global Security(ies) representing each Series. The full text of these terms and conditions together with the relevant Asset Terms and the relevant Specific Terms shall be endorsed on such Bearer Securities or on the Certificates relating to such Registered Securities. 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.*

The Securities (which expression shall include any Securities issued pursuant to General Condition 12) are issued by Credit Suisse AG, acting through its London branch (the "**Issuer**") pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 2 August 2006 between the Issuer, Credit Suisse AG, acting through its Nassau Branch, JPMorgan Chase Bank, N.A. as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") dated 2 August 2006 executed by the Issuer and Credit Suisse AG, acting through its Nassau Branch. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**" and together the "**Agents**"). The Securityholders (as defined in General Condition 1), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Securities in bearer form and, where applicable in the case of such Securities, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Securities in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Securities of any series (a "**Series**") and of any tranche (a "**Tranche**") comprising, together with another Tranche or other Tranches, a Series, are subject to these General Conditions, as completed, modified and/or supplemented by the relevant asset terms relating to the relevant Securities (the "**Asset Terms**") and the specific terms relating to the relevant Securities (the "**Specific Terms**" and together with the Asset Terms, the "**Terms**").

Expressions used herein and not defined shall have the meaning given to them in the relevant Terms.

In the event of any inconsistency between the General Conditions, the Asset Terms and the Specific Terms, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the Specific Terms;
- (b) the Asset Terms; and
- (c) the General Conditions.

References to "**Conditions**" are to the General Conditions as completed, modified and/or supplemented by the Asset Terms and the Specific Terms.

## 1 Form, Denomination and Title

The Securities are issued in bearer form ("**Bearer Securities**", which expression includes Securities that are specified to be Exchangeable Bearer Securities), in registered form ("**Registered Securities**") or in bearer form exchangeable for Registered Securities ("Exchangeable Bearer Securities") in each case in the Specified Denomination(s) provided that in the case of any Securities which are to be offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the relevant Securities).

All Registered Securities shall have the same Specified Denomination. Where Exchangeable Bearer Securities are issued, the Registered Securities for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Securities.

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradeable 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 Tradeable Amount provided hereon.

The Securities are Fixed Rate Securities, Floating Rate Securities, Zero Coupon Securities, Instalment Securities or Partly Paid Securities, a combination of any of the foregoing or any other kind of Securities, depending upon the Interest and Redemption/Payment Basis.

Bearer Securities are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Securities in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Securities are issued with one or more Receipts attached.

Registered Securities are represented by registered certificates ("**Certificates**") and, save as provided in General Condition 2(c), each Certificate shall represent the entire holding of Registered Securities by the same holder.

Title to the Bearer Securities and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Securities 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, Receipt, Coupon or Talon 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 on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

"**Securityholder**" means the bearer of any Bearer Security and the Receipts relating to it or the person in whose name a Registered Security is registered (as the case may be), "**holder**" (in relation to a Security, Receipt, Coupon or Talon) means the bearer of any Bearer Security, Receipt, Coupon or Talon or the person in whose name a Registered Security is registered (as the case may be).

## 2 Exchanges of Exchangeable Bearer Securities and Transfers of Registered Securities

- (a) **Exchange of Exchangeable Bearer Securities:** Subject as provided in General Condition 2(f), Exchangeable Bearer Securities may be exchanged for the same nominal amount of Registered Securities at the request in writing of the relevant Securityholder and upon surrender of each Exchangeable Bearer Security to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Security is surrendered for exchange after the Record Date (as defined in General Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Securities may not be exchanged for Bearer Securities. Bearer Securities of one Specified Denomination may not be exchanged for Bearer Securities of another Specified Denomination. Bearer Securities that are not Exchangeable Bearer Securities may not be exchanged for Registered Securities.
- (b) **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 Securities to be transferred, together with the form of transfer 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.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Securities:** In the case of an exercise of the 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.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to General Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in General 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 request for exchange, 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 relevant request for exchange, 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 Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for general business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Exchange Free of Charge:** Exchange and transfer of Securities and Certificates on registration, transfer, partial redemption or exercise of an option 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).
- (f) **Closed Periods:** No Securityholder may require the transfer of a Registered Security to be registered or an Exchangeable Bearer Security to be exchanged for one or more Registered Security(ies) (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 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. An Exchangeable Bearer Security called for redemption may, however, be exchanged for one or more Registered Security(ies) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.
- (g) **Regulations:** All transfers of Registered Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered 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.

### 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 (other than obligations preferred by mandatory operation of law).

### 4 Interest and other Calculations

- (a) **Interest on Fixed Rate Securities:** Each Fixed Rate Security bears interest on its outstanding nominal amount from 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.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Terms.

- (b) **Interest on Floating Rate Securities:**
  - (i) *Interest Payment Dates:* Each Floating Rate Security bears interest on its outstanding nominal amount from 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. Such Interest

Payment Date(s) is/are either Specified Interest Payment Dates or, if there is no Specified Interest Payment Date, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified 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 Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual 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:
- (x) the Floating Rate Option is as specified in the relevant Terms;
  - (y) the Designated Maturity is a period specified in the relevant Terms; and
  - (z) the relevant Reset Date is the first day of that Interest Accrual Period.

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

- (c) **Interest on Variable Rate Securities:** Each Variable Rate Security bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) in respect of each Interest Period equal to the Rate of Interest in respect of such Interest Period, such interest being payable in arrear on each Interest Payment Date.

The Rate of Interest and the Interest Amount payable shall be calculated by the Calculation Agent on the Interest Determination Date in accordance with General Condition 4(i).

If any date for payment in respect of any Variable Rate Security is not a business day (as defined in General Condition 6(h)), there shall be no adjustment to the duration of the relevant Interest Period and the holder of the relevant Security, Receipt or Coupon shall

not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment

- (d) **Zero Coupon Securities:** Where a Security the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Security. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Security shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in General Condition 5(b)(i)).
- (e) **Partly Paid Securities:** In the case of Partly Paid Securities (other than Partly Paid Securities which are Zero Coupon Securities), interest will accrue as aforesaid on the paid-up nominal amount of such Securities and otherwise as specified in the relevant Terms.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgement) at the Rate of Interest in the manner provided in this General Condition 4 to the Relevant Date (as defined in General Condition 7).
- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:**
  - (i) If any Margin or Rate Multiplier is specified in the relevant Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest, or Instalment Amount or Final Redemption Amount is specified in the relevant Terms, then any Rate of Interest, or Instalment Amount, or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) 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), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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.
- (h) **Calculations:** The amount of interest payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Security for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in

respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** On such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Securities for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Relevant Branch (if the Issuer, is not the Calculation Agent) each of the Paying Agents, the Securityholders, any other Calculation Agent appointed in respect of the Securities that is to make a further calculation upon receipt of such information. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to General Condition 4(b)(ii), the Interest Amounts and the Interest 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. If the Securities become due and payable under General Condition 9, the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Condition 4 but no publication of the Rate of Interest or the Interest Amount so calculated need be made.
- (j) **Definitions:** Unless the context otherwise requires, the following terms shall have the meanings set out below:

**"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 day on which the TARGET2 system is operating (a **"TARGET Business Day"**); and/or
- (iii) in the case of a currency and/or one or more Additional 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 Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres;

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest 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, the "Calculation Period"):

- (i) if "Actual/365" or "Actual/Actual - ISDA" is specified in the relevant 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 Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "Actual/360" is specified in the relevant 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 Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if "30E/360" or "Eurobond Basis" is specified in the relevant Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if "Actual/Actual-ICMA" is specified in the relevant 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 (x) the number of days in such Determination Period and (y) 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:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

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

**"Determination Date"** means the date specified as such in the relevant Terms or, if none is so specified, the Interest Payment Date;

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

**"Interest Amount"** means the amount of interest payable, and in the case of Fixed Rate Securities, means the Fixed Coupon Amount or Broken Amount, as the case may be;

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

**"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;

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Terms;

**"ISDA Definitions"** means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.;

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Securities; and

**"TARGET2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

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

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

(i) Unless previously redeemed, purchased and cancelled as provided in this General Condition 5 or the relevant Instalment Date is extended pursuant to any Issuer's or Securityholder's option in accordance with General Condition 5(d) or 5(e), each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. 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 on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Securityholder's option in accordance with General Condition 5(d) or 5(e), each Security shall be finally redeemed on the Maturity Date at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount.

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

(i) *Zero Coupon Securities:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Security, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Security pursuant to General Condition 5(c) or upon it becoming due and payable as provided in General Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Security unless otherwise specified in the relevant Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Security shall be the scheduled Final Redemption Amount of such Security on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Securities if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Security upon its redemption pursuant to General Condition 5(c) or upon it becoming due and payable as provided in General Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Security shall be the Amortised Face Amount of such Security as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Security becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Security on the Maturity Date together with any interest that may accrue in accordance with General Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction.

- (ii) *Other Securities:* The Early Redemption Amount payable in respect of any Security (other than Securities described in (i) above), upon redemption of such Security pursuant to General Condition 5(c) or upon it becoming due and payable as provided in General Condition 9, shall, unless otherwise specified in the relevant Terms, be the amount determined by the Calculation Agent that, in the case of redemption pursuant to General Condition 5(c) on the fifth Business Day in London prior to the due date for redemption or, in the case of redemption pursuant to General Condition 9, on the due date for redemption of such Security has the effect of preserving for the holder of such Security the economic equivalent of the obligation of the Issuer, to make payments of principal and interest in respect of such Security that would, but for such redemption, have fallen due after such date.
- (c) **Redemption for Illegality Reasons:** The Securities may be redeemed at the option of the Issuer, in whole, but not in part, at any time, on giving not less than 15 nor more than 60 days' notice to the Fiscal Agent and, in accordance with General Condition 13, the Securityholders (which notice shall be irrevocable), if the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any

arrangements made to hedge its position under the Securities shall have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule regulation, judgment, order or directive of any government, administrative, legislative or judicial authority or power, or any change in the interpretation thereof. Each Security redeemed pursuant to this General Condition 5(c) will be redeemed at its Early Redemption Amount.

- (d) **Redemption at the Option of the Issuer and Exercise of Issuer's Options:** If Call Option is specified in the relevant 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 Terms) redeem, or exercise the Issuer's option (as may be described in the relevant Terms) in relation to, all or, if so provided, some, of the Securities on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Securities shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Securities of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Securities in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this General Condition.

In the case of a partial redemption or a partial exercise of the Issuer's option, the notice to Securityholders shall also contain the certificate numbers of the Securities to be redeemed or in respect of which such option has been exercised, which shall have been drawn 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 or relevant authority requirements.

- (e) **Redemption at the Option of Securityholders and Exercise of Securityholders' Options:** If Put Option is specified in the relevant 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 Relevant Branch (or such other notice period as may be specified hereon) redeem such Security on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Securityholders' option that may be set out in the Terms (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Securities) such Security (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Securities) the Certificate representing such Security(ies) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Security or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Securities:** Partly Paid Securities will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this General Condition and the provisions specified hereon.



- (g) **Purchases:** The Issuer, any Subsidiary and/or any Affiliate of the Issuer may at any time purchase Securities (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price and may hold or recall them or surrender them as provided below for cancellation. References to "Affiliate" include 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. References to "Subsidiary" mean a subsidiary as defined in Section 736 of the Companies Act 1985, as amended by Section 144 of the Companies Act 1989. As used herein, "control" means ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "controlled by" and "controls" shall be construed accordingly.
- (h) **Cancellation:** Securities purchased by or on behalf of the Issuer or any of its Subsidiaries or Affiliates may be surrendered for cancellation, in the case of Bearer Securities, by surrendering each such Security together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Securities, by surrendering the Certificate representing such Securities to the Registrar and, in each case, if so surrendered, shall, together with all Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.
- (i) **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 and Talons

- (a) **Bearer Securities:** Payments of principal and interest in respect of Bearer Securities shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Security), Securities (in the case of all other payments of principal and, in the case of interest, as specified in General Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in General Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the Settlement Currency drawn on, or, at the option of the holder, 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 TARGET System.
- (b) **Registered Securities:**
  - (i) Payments of principal (which for the purposes of this General Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Securities shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below, subject to Condition 6(b)(iii).
  - (ii) Interest (which for the purpose of this General Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day or (in the case of Registered Notes registered in the

name of, or in the name of a nominee for, The Depository Trust Company ("DTC"), the fifteenth DTC business day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Security shall be made, subject to Condition 6(b)(iii), 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 of interest 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 TARGET System. For the purposes of this Condition 6(b), "DTC business day" means any day on which DTC is open for business.

- (iii) Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, The Depository Trust Company ("DTC") and denominated in U.S. dollars will be made in accordance with Conditions 6(b)(i) and (ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the relevant Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payment, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.
- (c) **Payments in the United States:** Notwithstanding the foregoing, payments in respect of Bearer Securities of which the Settlement Currency is U.S. dollars may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer, shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Securities in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of General Condition 7. No commission or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer, and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder or Couponholder. The Issuer, reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer 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) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer, shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Securities of which the Settlement Currency is U.S. dollars in the circumstances described in paragraph (c) above.

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

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Unless the Securities provide that the relative Coupons are to become void upon the due date for redemption of those Securities, Bearer Securities should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to General Condition 8).
- (ii) If the Securities so provide, upon the due date for redemption of any Bearer Security, unexpired Coupons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Security, any unexchanged Talon relating to such Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Security that is redeemable in instalments, all Receipts relating to such Security having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Security that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Securities is

presented for redemption without all unmatured Coupons, and where any Bearer Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, may require.

- (vi) If the due date for redemption of any Security is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Security or Certificate representing it, as the case may be. Interest accrued on a Security that only bears interest after its Maturity Date shall be payable on redemption of such Security against presentation of the relevant Security or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to General Condition 8).
- (h) **Non-Payment Business Days:** If any date for payment in respect of any Security, Receipt or Coupon is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "Payment Business Day" shall have the meaning given to such term in the Asset Terms.

## 7 Taxation

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder or Couponholder (as applicable) 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 Condition 7.

## 8 Prescription

Claims against the Issuer for payment in respect of the Securities, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 9 Events of Default

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

- (a) default is made in the payment on the date of any interest or principal in respect of any of the Securities, and such default continues for a period of 30 days; or
- (b) the Issuer declares itself or becomes insolvent or enters into a general assignment or composition with or for the benefit of its creditors, or is wound up or dissolved save for a

reorganisation involving the assumption by any corporation of all the Issuer's liabilities under the Securities,

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 as of the date on which such notice is received by the Fiscal Agent and such Security shall become redeemable at its Early Redemption Amount unless prior to the time that the Fiscal Agent receives such notice, the Issuer, shall have cured or otherwise made good all relevant Events of Default in respect of the Securities. The Early Redemption Amount shall be payable by the Issuer as soon as is possible following its determination.

## 10 Meeting of Securityholders and Modifications

- (a) **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 these 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*, (i) to amend the dates of maturity or redemption of the Securities, any Instalment Date or any date for payment of interest or Interest Amounts on the Securities, (ii) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (iii) to reduce the rate or rates of interest in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Securities, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Final Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or any other amount payable on the Securities or deliverable in respect of the Securities, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Securities, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) 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) and on all Couponholders.
- (b) **Modification of Agency Agreement:** The Issuer, shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Securityholders.
- (c) **Modification of Conditions:** The Issuer may modify the Conditions without the consent of Securityholders for the purposes of 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, materially prejudicial to the interests of the Securityholders. Notice of such modification will be given to Securityholders in accordance with the General Conditions.

#### **11 Replacement of Securities, Certificates, Receipts, Coupons and Talons**

If a Security, Certificate, Receipt, Coupon or Talon 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 Fiscal Agent (in the case of Bearer Securities, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer, for the purpose and notice of whose designation is given to Securityholders, in each case 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 Security, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer, on demand the amount payable by the Issuer, in respect of such Securities, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer, may require. Mutilated or defaced Securities, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **12 Further Issues**

The Issuer, may from time to time without the consent of the Securityholders or Couponholders create and issue further Securities having the same terms and conditions as the Securities (so that, for the avoidance of doubt, references in the conditions of such Securities 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 these Conditions to "Securities" shall be construed accordingly.

#### **13 Notices**

Notices to the holders of Registered Securities shall be published in accordance with the procedure set out in this General Condition for Bearer Securities and shall also 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 the holders of Bearer Securities shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Securities in accordance with this General Condition.

#### **14 Calculations and Determinations**

The calculations and determinations of the Issuer, or Calculation Agent shall be made in accordance with the Conditions having regard in each case to the criteria stipulated herein and (where relevant) on the basis of information provided to or obtained by employees or officers of

the Issuer or Calculation Agent responsible for making the relevant calculation or determination and shall, in the absence of manifest error, be final, conclusive and binding on Securityholders and Couponholders.

See also Asset Term Condition 2 (Calculations and Determinations).

## 15 Substitution and Merger of the Issuer

### (a) Substitution of Branch:

Credit Suisse AG ("**Bank**") may at any time, without the consent of the Securityholders, substitute for the London branch (the "**Relevant Branch**"), or for any previous Substitute Branch (as defined below), any other branch of Credit Suisse AG as the branch through which it is acting in relation to the Securities (the "**Substitute Branch**"), provided that no payment in respect of the Securities is overdue. In the event that the Relevant Branch, or the then Substitute Branch, should cease to exist, such a substitution shall be effected prior to the cessation of operations by the Relevant Branch or such Substitute Branch, as the case may be. Such substitution shall be permitted only if:

- (i) the Substitute Branch shall agree to indemnify each Securityholder whose Security was issued by the related predecessor Branch against (A) any taxes, duties, assessments or governmental charges of whatever nature which are imposed on such holder with respect to such Security, and which would not have been so imposed had such substitution not been made, (B) any taxes, duties, assessments or governmental charges of whatever nature imposed on or relating to the act of substitution and (C) any costs or expenses of the act of substitution;
- (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities issued by the related predecessor Branch represent valid, legally binding and enforceable obligations of the Bank, acting through such Substitute Branch, shall have been taken, fulfilled and done; and
- (iii) the Substitute Branch and the Bank shall have obtained legal opinions from independent legal advisers of recognised standing in the Substitute Branch's country of domicile or residence for taxation purposes, Switzerland and England (in the case where the Relevant Branch is the London Branch) or the Bahamas (in the case where the Relevant Branch is the Nassau Branch) that the substitution is legal, valid and binding and that all action, conditions and things as aforesaid have been taken, fulfilled and done.

Not more than 30 nor less than 15 days prior to the effective date of such substitution, the Bank shall procure the notification to the Securityholders whose Securities were issued by the related predecessor Branch, in accordance with General Condition 13, of such substitution, stating that copies, or pending execution thereof final drafts, of all relevant documents relating to such substitution and of the legal opinions are available for inspection by such Securityholders at the specified offices of the Paying Agents. The originals of all relevant documents relating to such substitution will be delivered to the Fiscal Agent to hold until there are no claims outstanding in respect of such Securities.

Upon such substitution becoming effective, references in the relevant Terms to the United Kingdom (in the case where the Relevant Branch is the London Branch) or the Bahamas (in the case where the Relevant Branch is the Nassau Branch) shall be deemed to be

replaced by references to the Substitute Branch's country of domicile and, if different, the Substitute Branch's country of residence for taxation purposes.

- (b) **Substitution in Place of the Bank:** The Bank, or any previous substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal debtor under the Securities an affiliate of the Bank having an equal or higher long-term unsecured debt rating than that of the Bank 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 Bank or another affiliate of the Bank with such a debt rating (the "**Substitute**"), provided that no payment in respect of the Securities is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Deed Poll**") and may take place only if (i) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll and the Securities represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect, (ii) either the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, or a similar arrangement with equivalent effect shall have been entered into and (iii) the Bank shall have given at least 14 days' prior notice of such substitution to the Securityholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which might reasonably be regarded as material to Securityholders, will be available for inspection at the specified office of each of the Paying Agents and, if different, the country of tax residence of the assuming company.
- (c) **Merger of the Bank:** The Bank may, without the consent of the Securityholders, consolidate with or merge into or sell, lease, transfer or convey all or substantially all of its property to another corporation, entity or person provided that the successor corporation, entity or person assumes all obligations of the Bank under the Securities.

## 16 Third Parties

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

## 17 Miscellaneous Definitions

Reference to "**AUD**" are to Australian dollars, references to "**CAN**" and "**CAD**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, 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 Kroner, references to "**SKr**" and "**SEK**" are to Swedish Kronor, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

## 18 Governing Law and Jurisdiction

The Agency Agreement, the Global Security, the Securities 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 exclusive 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 that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "**Proceedings**") may be brought in the courts of England.

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 may be enforced in the courts of any other jurisdiction. Nothing in this General Condition 18 shall limit any right to take Proceedings against the Issuer 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.

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

## ASSET TERMS

*The following asset terms and conditions (the "Asset Terms") shall apply to the Securities. Capitalised terms used but not otherwise defined herein shall have the meanings given to them in the General Conditions and/or the Specific Terms.*

### PART A

#### 1 Asset Events

##### (a) Asset Disruption Events

Where the Issuer determines that an Asset Disruption Event has occurred in respect of a Valuation Day (the "**Disrupted Valuation Day**"), the Issuer may choose to:

- (i) make any calculation, determination or adjustment of any variable in respect of the Securities and make any payment (in cash or other consideration), using an estimate of such variable determined in a commercially reasonable manner provided that such estimate shall take into account an amount, as determined by the Issuer, in compensation for a Hypothetical Investor to reflect the risk that it would take in holding any Asset Component Units or other financial instrument as a hedge for the Securities but which it is unable to redeem or liquidate into cash in full and without any restriction imposed whatsoever as of, or at any time after, the Disrupted Valuation Day; or
- (ii) not make any payment or calculation in respect of the Disrupted Valuation Day and such Disrupted Valuation Day shall be postponed, until the Calculation Business Day in respect of which an Asset Disruption Event ceases to exist, (such Valuation Day being the "**Postponed Valuation Day**").

The Issuer may declare an Asset Defeasance Event where the Asset Disruption Event exists and subsists as of the expiration of a number of days subsequent to the Disrupted Valuation Day equal to the Asset Disruption Period.

Where the Postponed Valuation Day falls or, in the determination of the Issuer, is expected to fall, after any interim payment date and/or the Maturity Date then the respective interim payment date and/or Maturity Date shall be postponed until the third Payment Business Day after the latest date on which the Hypothetical Investor would receive in full the proceeds in cash in respect of the redemption of each Asset Component that it would hold as a hedge for the Securities unless the Issuer determined that an amount can be paid earlier by the Issuer.

##### (b) Asset Substitution Events

An "Asset Substitution Event" occurs if, in the determination of the Issuer, (i) any of the Asset Substitution Events occurs on or after the Issue Date in respect of investors generally, or such event actually occurs with respect to the Hedging Entity or (ii) publication of a notice or other dissemination of information in respect of the Asset Component which indicates that any such event will occur on or after the Issue Date. Unless otherwise specified, the Issuer will make all determinations as to the occurrence of an Asset Substitution Event in its sole discretion in good faith, including determinations as to materiality or the success or acceptability of any cure, mitigation or replacement.

If the Issuer deems, determines or declares that an Asset Substitution Event has occurred in respect of an Asset Component, then the Issuer may, at any time:

- (i) waive such Asset Substitution Event; or
- (ii) remove such Asset Component affected by an Asset Substitution Event from the Asset with effect as soon as reasonably practicable and, as soon as reasonably practicable following the removal of such Asset Component:

- (A) substitute such Asset Component with one or more funds (each a "**Substitute Asset Component**") which comply with the Inclusion Conditions, which in the opinion of the Issuer have a similar geographical focus to, and close correlation with, the Asset Component subject to the Asset Substitution Event; and/or
- (B) adjust the Weight of any one or more of the remaining Asset Components (inclusive of any Substitute Asset Component, where applicable) in the Asset,

and, at the discretion of the Issuer, make any necessary adjustments to the terms and conditions of the Securities as a result of such an event.

As of such date of substitution of the Asset Component with a Substitute Asset Component ("**Substitution Valuation Date**"), such Substitute Asset Component will be deemed to be an Asset Component, respectively, for the purposes of these Asset Terms.

For the avoidance of doubt, the Issuer and the Calculation Agent are under no obligation to monitor compliance of the Asset Components with the Inclusion Conditions, nor to monitor whether an Asset Substitution Event has occurred. The Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to effect an Asset Substitution Event.

(c) **Asset Adjustment Events**

Where, in the determination of the Issuer, an Asset Adjustment Event occurs, the Issuer may make any adjustment it deems appropriate to any Calculation Item at any time to take into account an amount, as determined by the Issuer, in compensation for a Hypothetical Investor to reflect the risk that it would take in holding any Asset Components or other financial instrument as a hedge for the Securities.

(d) **Asset Defeasance Events**

If one or more Asset Defeasance Events occurs, the Issuer may, but is not obliged to declare a Defeasance Date. Following the declaration of a Defeasance Date, the Issuer shall pay the Securityholders the sum of the Minimum Redemption Amount and the Defeasance Upside Amount per Security on the Maturity Date.

## 2 Calculations and Determinations

(a) **General**

Unless otherwise specified, the Issuer or the Calculation Agent shall make all calculations and determinations in respect of the Conditions. All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. All calculations and determinations shall, in the absence of manifest error, be final, conclusive and binding on Securityholders. For the avoidance of doubt, any calculations or determinations made by the Issuer or the Calculation Agent under the Conditions on an estimated basis shall not be revised following the making of such calculation or determination.

(b) **Rounding**

Any calculations made under the Conditions shall be made by the Issuer or the Calculation Agent applying rounding, in the relevant currency, as it determines appropriate in its sole and absolute discretion.

(c) **Construction**

For the avoidance of doubt, as used in the Conditions, (i) in relation to a term of any formula, " $t$ " means the value of that term for the relevant day or period, as the case may be, and, in relation to other terms in that formula: (a) references to " $t$ " shall be to the value of that term at the same day or period, respectively; and (b) references to " $t$ " plus or minus

a specified number (i.e. " $t+1$ ", " $t+2$ ", or " $t-1$ ") shall be to the value of that term for the day or period, as the case may be, falling that specified number of days or periods, respectively, after or before, as the case may be, the day or period to which " $t$ " relates, (ii) in relation to any day or period, as the case may be, " $t$ " means the relevant day or period, respectively and, in respect of that day or period, references to " $t$ " plus or minus a specified number (i.e. " $t+1$ ", " $t+2$ ", or " $t+3$ ") shall be to the day or period falling that specified number of days or periods, respectively, after or before, as the case may be, the day or period to which " $t$ " relates, (iii) in relation to a term of any formula " $t_0$ " means the value of that term for the initial specified day or period, as the case may be, and, in relation to any day or period, as the case may be, means the initial specified day or period, respectively, and (iv) in relation to a term of any formula " $t_1$ " means the value of that term for the day or period, as the case may be, immediately following the initial specified day or period, respectively, and, in relation to any day or period, as the case may be, means the day or period, respectively, immediately following the initial specified day or period.

(d) **Methodology**

In making any calculations or determinations, the Issuer or the Calculation Agent will use the formulae set out in the Conditions. However, the Issuer or the Calculation Agent may, in its absolute discretion, modify such methodology for the purposes of curing any ambiguity or correcting or supplementing any provision herein or, following any change in the basis on which any information is calculated or provided or otherwise howsoever which would materially change the commercial effect of any provision or provisions herein, amending any provision or provisions herein if such amendment is for the purpose of mitigating the effect of such change or replacing any information provider or information source named herein or any previous replacement information provider or source. The Issuer or the Calculation Agent may agree to consult with any person regarding any potential amendment to the methodology.

(e) **Reliance**

In making any calculations or determinations, the Issuer or the Calculation Agent may rely upon the opinion of any person who appears to it as being competent to value assets of any class or classes by reason of any appropriate professional qualification or experience of any relevant market or asset.

(f) **Not Acting as Fiduciary**

In making calculations and determinations, neither the Issuer nor the Calculation Agent shall act as principal and not as agent or fiduciary of any other person. Each calculation and determination performed by the Issuer or the Calculation Agent hereunder is performed in reliance upon this and subject thereto. If by performing any such calculation or determination the Issuer or the Calculation Agent is rendered an agent or fiduciary for another person under applicable law, then its right and obligation to perform such calculation or duty may be suspended at its option (or, if already performed, its application may be suspended) until such calculation or determination may be performed by it as principal and not as agent or fiduciary (or until it may be performed by an appropriate third party that is willing and able to perform it).

(g) **Dates of Calculations**

Notwithstanding that certain calculations or determinations in the Conditions may be expressed to be "on" a certain date, the Issuer or the Calculation Agent may make such calculations or determinations in respect of that date on a date after that date.

(h) **Business Days**

Unless otherwise specified, calculations made by the Issuer or the Calculation Agent in respect of an Asset Component for Valuation Day<sub>t</sub>, shall be made in accordance with the Component Liquidity Designation specified in the Specific Terms. Where the Component Liquidity Designation is specified as Monthly, then the Official Net Asset Value as of

Valuation Day<sub>t</sub> for the respective Asset Component shall be the respective Official Net Asset Value for the calendar month in which Valuation Day<sub>t</sub> falls. Where the Component Liquidity Designation is specified as Daily, Weekly, Quarterly or any other Component Liquidity Designation as specified in the Specific Terms, then the Official Net Asset Value as of Valuation Day<sub>t</sub> for the respective Asset Component shall be the Official Net Asset Value for the respective Asset Business Day which falls on the same calendar day as Valuation Day<sub>t</sub> provided that where such Asset Business Day does not fall on the same calendar day as Valuation Day<sub>t</sub>, then the Official Net Asset Value shall be that for the respective Asset Business Day falling immediately after the respective Valuation Day<sub>t</sub>.

Nothing in the foregoing shall limit the ability of the Issuer or the Calculation Agent to make estimates in any manner specified elsewhere in the Conditions. Notwithstanding the foregoing or anything else contained in the Conditions, should the Issuer and/or the Calculation Agent determine, in good faith and in a commercially reasonable manner, that in order to give effect to the methodology described in these Asset Terms and the Specific Terms it is necessary to make calculations on a day that is not a Calculation Business Day then the Issuer or the Calculation Agent shall be permitted to make such calculations on such calendar day as it shall see fit.

(i) **Use of Estimates**

The Issuer or the Calculation Agent will make calculations and determinations under the Conditions using the information, price sources or factors, whether official or estimated, as specified in the Conditions. However, should the Issuer or the Calculation Agent not be able to obtain the necessary information or be able to use the specified price sources or factors, then, after using reasonable efforts and after applying all fallback provisions specified in the Conditions in relation to such calculation or determination, the Issuer or the Calculation Agent shall be permitted to use its estimate (arrived at in good faith) of the relevant information, price source or factor in making the relevant calculations or determinations should it determine that such estimate is reasonably necessary. If at any time the Issuer or the Calculation Agent is required to make any estimate in respect of any determination or calculation whilst redemptions are for the time suspended, the Issuer or the Calculation Agent may make such estimate as such amount as it in good faith believes to be the then market value, which may be zero.

## PART B

### ADDITIONAL DEFINITIONS

**"Administrator"** means, in respect of an Asset Component, the entity specified in that Asset Component's Prospectus as responsible for the administration of that Asset Component and the determination and reporting of the Official Net Asset Value of that Asset Component.

**"Asset"** means a notional investment in a basket comprising the Asset Components in accordance with their Initial Weights at the Initial Valuation Date and equal to EUR 1 on such date.

**"Asset Adjustment Event"** means any of the following events:

- (a) an Asset Component subdivides, consolidates, or reclassifies the Asset Component Unit (including any side-pocket issuance) or a distribution or dividend of any Asset Component Unit or any other interest in the Asset Component to any existing holder by way of bonus, capitalization, reorganization of the Asset Component or similar issue;
- (b) any circumstances where, although the Official Net Asset Value of an Asset Component is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Asset Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Basket Disruption Event);
- (c) the inability of the Hedging Entity to liquidate Asset Component Units in accordance with the Redemption Frequency, Redemption Notice Period and Redemption Settlement each as defined in the Redemptions Table (including the application of any gating, side-pocketing or other arrangement affecting the Hedging Entity) and any change in the subscription or redemption terms of the Asset Component Units including, but not limited to, the form of payment, schedule of payments or notice periods that were not otherwise applicable to the Hedging Entity as of the Issue Date.
- (d) an Asset Component takes any action that may have a diluting or concentrative effect on the theoretical value of the Asset Component Units;
- (e) an Asset Component suffers a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Asset Component Units, or where the Hedging Entity suffers or would suffer such adverse treatment as a result of the any adoption of any accounting, regulatory or tax treatment in respect of a holding of any Asset Component Units; or
- (f) a material change in any fee arrangement that is in place on the Issue Date, temporary or otherwise, between the Hedging Entity and an Asset Component or the Fund Manager of an Asset Component.

**"Asset Business Day"** means, with respect to an Asset Component, a day on which such Asset Component will effect subscription and redemption requests in relation to shares or units in such Asset Component and/or any day that is a day for which the Administrator or Fund Manager shall calculate an Official Net Asset Value in accordance with that Asset Component's Prospectus.

**"Asset Component(s)"** means each Asset Component comprising the Asset as specified in the table at paragraph 26 (*Initial Asset Components*) of Part A of the Specific Terms, subject to replacement following the occurrence of an Asset Substitution Event.

**"Asset Component<sub>i</sub>"** means Asset Component "i",

where:

"i" means a series of whole numbers from one to "n", each representing a different Asset Component in the Asset as at Valuation Day<sub>i</sub>; and

"n" means the total number of Asset Components as at Valuation Day.

**"Asset Component Unit"** means, in respect of an Asset Component, a share or unit in such Asset Component.

**"Asset Component Value"** means, in respect of an Asset Component, the Official Net Asset Value of such Asset Component.

**"Asset Defeasance Event"** means, in respect of Asset Component, any of the following events:

- (a) where an Asset Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable Substitute Asset Component;
- (b) an Asset Disruption Event exists and subsists as of the expiration of a number of days subsequent to the Disrupted Valuation Day equal to the Component Disruption Period; or
- (c) as a result of (i) any adoption of, or change in, law or regulation or its interpretation, (ii) any determination of a regulatory or taxation authority applicable to the Hedging Entity or Asset Component, or (iii) the application of the Hedging Entity's regulatory capital treatment or funding treatment of the transaction or its associated hedging arrangements or any change thereto, whereupon: (A) it becomes unlawful or prohibited for the Hedging Entity (including any adverse change in restrictions imposed by or on the Hedging Entity) to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Asset Component; (B) the cost of the hedging arrangements in respect of the transaction would be materially increased (including circumstances (I) requiring the Hedging Entity to adversely modify any reserve, special deposit, funding arrangement or similar requirement imposed by or on the Hedging Entity, (II) that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of its hedging arrangements, or (III) which subject the Hedging Entity to any loss or additional taxation); or (C) there would be a material decline in Asset Component Value.

**"Asset Disruption Event(s)"** means each of a Basket Disruption Event and a Market Disruption Event.

**"Asset Substitution Event"** means:

- (a) in respect of an Asset Component, any of following events:
  - (i) the winding-up, dissolution, liquidation or other cessation of trading of the Asset Component, or any Service Provider unless it is replaced with a successor acceptable to the Issuer;
  - (ii) an investigation is made by any applicable regulatory body into the activities of the Asset Component or any Service Provider for reasons of any alleged wrongdoing, breach of any rule or any regulation or other similar reason, which allegation would, if true, in the determination of the Issuer, have a material effect on the Asset Component Value;
  - (iii) loss of an applicable licence or regulatory authorisation applying to the Asset Component or any Service Provider or any replacement Service Provider (unless the Issuer determines that such event is immaterial);
  - (iv) the instigation or resolution of any legal action, arbitration or equivalent measure (including as a result of any allegation of fraud or misdealing) against the Asset Component or any Service Provider which proceedings, if successful, would, in the determination of the Issuer, have a material effect on the Asset Component Value;
  - (v) a material change (as determined by the Issuer) to the legal constitution or management of the Asset Component including, but not limited to, a change in a Fund Manager, or a change in a Fund Manager's organisation or management (including, but not limited to, a merger or other reorganisation event which materially alters the nature

of the Asset Component or the nature and role of the Fund Manager in relation to the Asset Component);

- (vi) a material modification (as determined by the Issuer) of the provisions relating to investment objectives, strategies, restrictions and requirements of the Asset Component as set out in its Asset Component Prospectus (the "**Investment Objective and Strategy**");
  - (vii) a material breach (as determined by the Issuer) of the Investment Objective and Strategy and such breach has not been cured within 5 calendar days to the satisfaction of the Issuer;
  - (viii) a material breach (as determined by the Issuer) of the Investment Objective and Strategy provided that the cure period stated in (vii) above therein shall not apply in respect of any third or subsequent breach;
  - (ix) a change in the Fund Manager of an Asset Component;
  - (x) the aggregate net asset value of an Asset Component decreases by more than 40 per cent. since the Initial Valuation Date, as determined by the Issuer;
  - (xi) the aggregate net asset value of assets managed by a Fund Manager decreases by more than 40 per cent. since the Initial Valuation Date, as determined by the Issuer;
  - (xii) the Asset Component's accounting currency changes; or
  - (xiii) an Asset Component does not comply with the Inclusion Conditions.
- (b) in respect of an Asset Component, any of the events set out in paragraphs (i) to (v) below that is not remedied reasonably promptly by the Asset Component (or within the applicable cure periods specified) to the reasonable satisfaction of the Issuer and that, in the sole determination of the Issuer acting in good faith, has a material effect on the ability of the Hedging Entity to hedge its obligations in respect of the Securities.

*Liquidity*

- (i) a mandatory redemption occurs (in whole or in part) of any holding of the Asset Component Units by the Hedging Entity;
- (ii) an Asset Component charges the Hedging Entity a subscription fee for the purchased Asset Component Units or a redemption fee for the redeemed Asset Component Units;
- (iii) the Hedging Entity is unable to subscribe or redeem Asset Component Units on a Dealing Day;
- (iv) the subscription or redemption terms in respect of the Asset Component provide (A) for subscriptions or redemptions less frequently than the Subscription Frequency and Redemption Frequency, respectively, stated in the below tables, (B) for notification periods in respect of subscriptions or redemptions longer than the Subscription Notice Period and Redemption Notice Period, respectively, as stated in the Subscription Table and the Redemption Table below, and (c) for settlement periods in respect of redemptions longer than that provided in the column entitled "Redemption Settlement" in the Redemption Table below:

**Subscription Table:**

<b>Subscription Frequency</b>	<b>Subscription Notice Period</b>	<b>Subscription Settlement</b>
Daily	None	None



**Redemption Table:**

<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>	<b>Redemption Settlement</b>
Daily	None	3 Payment Business Days following the Dealing Day

Where "**Dealing Day**" means the scheduled day on which the Asset effects the redemption or subscription of the Asset Component Units as stated in the Asset Component's Prospectus.

*Implementation of taxes and of other charges*

- (v) the Asset Component suffers a material adverse change in its legal, accounting, regulatory or tax treatment that would or does adversely affect the Hedging Entity as holder of the Asset Component Units or the Hedging Entity becomes subject to taxes or other similar fees payable in respect of a purchase or redemption of the Asset Component Units and in each case, such change has not been cured within 30 calendar days, provided that the Hedging Entity shall use reasonable efforts to mitigate any such effect.

**"Basket Disruption Event"** means any of the following events in respect of an Asset Component:

- (a) A failure, suspension or postponement in the reporting or publishing of the Official Net Asset Value in respect of an Asset Component as regularly scheduled taking into account the relevant cure period, or any event that prevents the Official Net Asset Value in respect of an Asset Component so published from being received by the people to whom it is published, whereby such event is, in the determination of the Issuer, material;
- (b) Any circumstances where, although the Official Net Asset Value of an Asset Component is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Asset Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Asset Adjustment Event);
- (c) The inability of a Hypothetical Investor, if holding Asset Component Units as a hedge for the Securities, to liquidate the Asset Component Units or any other interest received by the Asset Component when scheduled (including any change to the notice period to redemption or subscriptions, any gating, side-pocketing or other arrangement affecting the Hypothetical Investor);
- (d) A postponement, suspension or failure of an Asset Component to make any payment in respect of the redemption of any interest in the Asset Component on any day for which such payment is scheduled to be made in accordance with the Asset Component's Prospectus;
- (e) The Hedging Entity not being permitted by an Asset Component to subscribe for or redeem interests in the Asset Component on a relevant business day of the Asset Component in accordance with the Asset Component's Prospectus.

**"Calculation Agent"** has the meaning given to it in the Specific Terms.

**"Calculation Business Day"** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city, cities and/or settlement system specified in Part A of the Specific Terms.

**"Calculation Item"** means any determination, estimation or calculation required to determine or derive any valuation of, the Redemption Amount directly or indirectly.

**"Component Currency"** means the currency in respect of each Asset Component, as specified in the table at paragraph 26 (*Initial Asset Components*) of Part A of the Specific Terms.

**"Component Disruption Period"** means a consecutive number of Disruption Valuation Dates, as specified in the table at paragraph 28 (*Component Disruption Period*) of Part A of the Specific Terms.

**"Component Liquidity Designation"** means, in respect of an Asset Component, the frequency of occurrence of an Asset Business Day for such Asset Component, as specified in the table at paragraph 27 (*Initial Weights and Component Liquidity Designation*) of Part A of the Specific Terms.

**"Custodian"** means, in respect of an Asset Component, the entity specified in that Asset Component's Prospectus as responsible for the custody of the assets of that Asset Component.

**"Defeasance Date"** means the date declared by the Calculation Agent on which it will calculate the Defeasance Upside Amount, as notified to Securityholders in accordance with General Condition 13 (*Notices*).

**"Defeasance Upside Amount"** means the amount in the Specified Currency greater than or equal to zero, determined by the Calculation Agent as of the Defeasance Date, and equal to the prevailing bid price per Security which the Issuer would quote to a market participant for the repurchase (against a payment on the Maturity Date) of securities with the same terms as the Securities, but with a final redemption amount equal to the Upside Participation. The calculation of the Defeasance Upside Amount is to be determined in its sole discretion and is to be based on, *inter alia*, a realisable value of the Securities as at the Defeasance Date, where such value shall be calculated by reference to (a) the most recent valuations; and/or (b) the then most current data available, the historical performance of the Asset Component, the level of implied volatility that would otherwise have been taken into account in the calculation of the value of the Securities up to and including the Defeasance Date and the relevant prevailing interest rates and exchange rates. Notwithstanding anything contained elsewhere in these Conditions, the Calculation Agent shall take into account any Asset Disruption Event or Asset Adjustment Event that affects any determination in this paragraph in such manner as it sees fit.

**"Disrupted Asset Component"** means an Asset Component for which an Asset Disruption Event existed and subsisted as of the Disruption Valuation Date.

**"Disruption Valuation Date(s)"** means a Valuation Day<sub>t</sub> in respect of which the Issuer determines that an Asset Disruption Event has occurred or is existing and subsisting as of such Valuation Day<sub>t</sub>.

**"Early Redemption Amount"** means the amount in the Specified Currency determined by the Calculation Agent as of the day on which the Issuer notifies the Fiscal Agent in accordance with General Condition 5(c), and equal to the prevailing bid price which the Issuer would quote to a market participant per Security for the purchase of a Security. The calculation of the Early Redemption Amount is to be determined in its sole discretion and is to be based on, *inter alia*, an estimated value of the Securities as at such date (where such value shall be calculated by reference to (a) the most recent valuations; and/or (b) the then most current data available, the historical performance of the Asset Components, the level of implied volatility, the remaining time until the Maturity Date, the applicable Participation, any amounts in relation to dividends, premia, coupons, fees, leverage or foreign exchange hedge, if such is specified as applicable in the Specific Terms, that would otherwise have been taken into account in the calculation of the value of the Securities up to and including the Maturity Date and the relevant prevailing interest rates and exchange rates. Notwithstanding anything contained elsewhere in these Conditions, the Calculation Agent shall take into account any Asset Disruption Event that affects any determination in this paragraph in such manner as it sees fit.

**"Executive Committee"** means, in respect of an Asset Component, the group of individuals specified in that Asset Component's Prospectus as responsible for overseeing the activities of that Asset Component.

**"Fund Manager(s)"** means, in respect of an Asset Component, the entity specified in that Asset Component's Prospectus as responsible for providing investment management advice to that Asset

Component and/or the Administrator and/or the Executive Committee, or other person responsible for providing financial information relating to that Asset Component to its investors.

**"Hedging Entity"** means Credit Suisse International or any affiliate as counterparty to the Issuer's hedging arrangements in respect of the Securities.

**"Hypothetical Investor"** means a hypothetical investor in the Asset Component Units or any other security received as a distribution in respect of the Asset Component Units located in the Hypothetical Investor Jurisdiction and deemed to have the benefits and obligations, as provided under the Asset Component's Prospectus, of an investor holding as of any Valuation Day an amount of the Asset Component Units required to hedge the Securities.

**"Hypothetical Investor Jurisdiction"** means England.

**"Inclusion Condition"** has the meaning given to such term in paragraph 29 (*Inclusion Conditions*) of Part A of the Specific Terms.

**"Market Disruption Event"** means any of the following events:

- (a) When the foreign exchange market or money market in U.S. dollars, the Specified Currency or respective Component Currency, is or are closed otherwise than for ordinary public holidays or if trading thereupon is restricted or suspended and, in the determination of the Issuer, this would have a material impact on the ability of the Calculation Agent to determine the value of the Securities accurately, in a timely manner or at all or to execute a hedge in respect of the Securities in any such market; or
- (b) an event pursuant to which there is a breakdown in any means of communication normally used for the valuation by the Calculation Agent of all of or a substantial portion of the Asset or if the Fund Manager informs the Issuer or the Calculation Agent, or the Issuer or the Calculation Agent determines at its own discretion that the last reported Official Net Asset Value should not be relied upon.

**"Official Net Asset Value"** means the net asset value per unit of an Asset Component as calculated and reported by its Administrator for an Asset Business Day.

**"Payment Business Day"** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city, cities and/or settlement system specified in the Specific Terms.

**"Prospectus"** means, with respect to any Asset Component, the offering document for such Asset Component as updated, revised or supplemented from time to time.

**"Redemption Amount"** means the Final Redemption Amount or the Early Redemption Amount, as the case may be.

**"Securityholders"** has the meaning given in General Condition 1.

**"Service Provider"** means each of the Fund Manager, the Administrator, the Custodian and any Additional Service Provider (if any) to the Asset.

**"Substitute"** has the meaning given in Asset Term 4.

**"Substitute Asset Component"** has the meaning given in Asset Term 1(b).

**"Substitution Valuation Date"** has the meaning given in Asset Term 1(b).

**"Valuation Day,"** means (i) the Initial Valuation Date; (ii) the Final Observation Date; (iii) each of the Observation Dates; and (iv) each Calculation Business Day from (but excluding) the Initial Valuation Date to (and excluding) the Final Observation Date.

## SPECIFIC TERMS

Except as set out below, the Securities will be subject to the General Conditions, the Asset Terms and to the following provisions (the "**Specific Terms**", and together with the General Conditions and the Asset Terms, the "**Conditions**").

If the General Conditions or the Asset Terms refer to a definition or provision in the Specific Terms and the Specific Terms contain no such definition or provision, such definition or provision shall be deemed not to apply.

"Not Applicable" means an item is not applicable at the date of this document, subject to amendment

### PART A

- |           |  |  |
|-----------|--|--|
| <b>1</b>  | Relevant Branch:                               | London   |
| <b>2</b>  | Series Number:                                 | SPLB2013-268   |
| <b>3</b>  | Tranche Number:                                | Not Applicable   |
| <b>4</b>  | Specified Currency:                            | Euro (" <b>EUR</b> ")  |
| <b>5</b>  | Aggregate Nominal Amount:                      |  |
|           | (a) Series:                                    | Up to EUR 25,000,000   |
|           | (b) Tranche:                                   | Not Applicable   |
| <b>6</b>  | Issue Price:                                   | 100 per cent. of the Aggregate Nominal Amount  |
| <b>7</b>  | Specified Denomination (or " <b>SD</b> "): (or | EUR 1,000  |
| <b>8</b>  | Issue Date:                                    | 3 October 2013   |
| <b>9</b>  | Initial Valuation Date:                        | 8 October 2013   |
| <b>10</b> | Final Observation Date:                        | The Observation Date scheduled to fall on 4 October 2021   |
| <b>11</b> | Maturity Date:                                 | 18 October 2021, subject to the occurrence of an Asset Disruption Event and provided if such day is not a Payment Business Day, the following day that is a Payment Business Day |
| <b>12</b> | Calculation Business Day:                      | London and TARGET  |
| <b>13</b> | Payment Business Day:                          | London and TARGET  |

#### Provisions relating to Redemption

- |           |                          |  |
|-----------|--------------------------|--|
| <b>14</b> | Final Redemption Amount: | The Final Redemption Amount payable by the Issuer on the Maturity Date in respect of each Security will be an amount in the Specified Currency equal to the sum of the Minimum Redemption Amount and the Upside Participation, provided that if the Issuer determines that an Asset Defeasance Event has occurred on or prior to the Final Observation Date, the Final Redemption Amount will be an amount in the Specified Currency equal to the sum of the Minimum Redemption Amount and the Defeasance Upside Amount. |
|-----------|--------------------------|--|

Where:

"**Asset Component**<sub>*i,Final Level*</sub>" means the arithmetic average

of the Official Net Asset Value of Asset Component<sub>i</sub> in respect of each of the Observation Dates, as determined by the Calculation Agent.

**"Asset Component<sub>i,Initial Level</sub>"** means the Official Net Asset Value of Asset Component<sub>i</sub> on the Initial Valuation Date.

**"Asset Final"** means an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{Asset Final} = \sum_{i=1}^n \left( \frac{\text{Asset Component}_{i, \text{Final Level}}}{\text{Asset Component}_{i, \text{Initial Level}}} \times W_i \right)$$

**"Defeasance Upside Amount"** has the meaning given to such term in Part B of the Asset Terms.

**"Minimum Redemption Amount"** means, in respect of each Security (of the Specified Denomination), an amount in the Specified Currency equal to the *product* of (a) SD and (b) the Principal Protection Percentage.

**"Official Net Asset Value"** has the meaning given to such term in Part B of the Asset Terms.

**"Participation"** means 100 per cent. (expressed as a decimal).

**"Principal Protection Percentage"** means 100 per cent. (expressed as a decimal).

**"Strike"** means 100 per cent. (expressed as a decimal).

**"Upside Participation"** means, in respect of each Security (of the Specified Denomination), an amount in the Specified Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{SD} \times \text{Participation} \times \text{Max}(\text{Asset Final} - \text{Strike}; 0)$$

**"W<sub>i</sub>" or "Weight"** means the weight for Asset Component<sub>i</sub> being the Initial Weight for Asset Component<sub>i</sub> as set out in the table at paragraph 27 (*Initial Weights and Component Liquidity Designation*) below, subject to adjustment in accordance with the Conditions.

**15** Observation Dates:

Means each of the following calendar days:

4 October 2018
4 January 2019
4 April 2019
4 July 2019
4 October 2019
6 January 2020
6 April 2020
6 July 2020
5 October 2020
4 January 2021
6 April 2021
5 July 2021
4 October 2021

## General Provisions

- 16** Form of Securities: Bearer Securities
- (a) Temporary or permanent Global Security / Certificate: Permanent Global Security exchangeable for Definitive Securities in the limited circumstances specified in the permanent Global Security
- 17** Additional Financial Centres: Not Applicable
- 18** Stock Exchanges to which application will initially be made to list the Securities: Not Applicable
- 19** Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made: Not Applicable
- 20** Securities Codes: ISIN: XS0953306064  
Common Code: 095330606
- 21** Any clearing systems other than Euroclear and Clearstream, Luxembourg and the relevant identification numbers: Not Applicable
- 22** Delivery: Delivery against payment
- 23** Calculation Agent: Credit Suisse International
- 24** Dealer(s): Credit Suisse International
- 25** The Agents appointed in respect of the Securities are: Fiscal Agent:  
The Bank of New York Mellon  
One Canada Square  
London  
E14 5AL  
Paying Agent:  
The Bank of New York Mellon  
One Canada Square  
London  
E14 5AL  
The Bank of New York Mellon (Luxembourg) S.A.  
Vertigo Building - Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

## Provisions relating to Asset Components

- 26** Initial Asset Components:

i	Asset Component	Share Class	Component Currency	Bloomberg Code	ISIN
1	Ethna-AKTIV E Fund	T	EUR	ETAKTVE LX	LU0431139764
2	Carmignac Patrimoine Fund	A (EUR)	EUR	CARMPAT FP	FR0010135103
3	DNCA Eurose Fund	A (EUR)	EUR	LEODEFA LX	LU0284394235
4	Bantleon Opportunities Fund	L PT	EUR	BNOPLPT LX	LU0337414303

**27** Initial Weights and Component Liquidity Designation:

i	Asset Component	Initial Weight (per cent.)	Component Liquidity Designation
1	Ethna-AKTIV E Fund	25	Daily
2	Carmignac Patrimoine Fund	25	Daily
3	DNCA Eurose Fund	25	Daily
4	Bantleon Opportunities Fund	25	Daily

**Provisions relating to Asset Disruption Events**

**28** Component Disruption Applicable Period:

Disrupted Asset Component	Component Disruption Period
Ethna-AKTIV E Fund	7 calendar days
Carmignac Patrimoine Fund	7 calendar days
DNCA Eurose Fund	7 calendar days
Bantleon Opportunities Fund	7 calendar days

**Provisions relating to Asset Substitution Events**

**29** Inclusion Conditions: Applicable

Each of the following conditions:

- (a) **Liquidity.** Each Asset Component shall offer investors the ability to redeem units held by them or to subscribe for further units on each Asset Business Day based on the Official Net Asset Value for such day provided proper same day notice procedures are followed by an investor (the Asset Component's terms for payout of redemption proceeds need not be same day, but can be up to

five (5) Calculation Business Days afterwards);

- (b) **Fee Structure.** No Asset Component shall charge the Hedging Entity (i) a subscription fee for the purchase of the Asset Component units or (ii) a redemption fee for the redemption of the Asset Component units, or (iii) taxes or other similar fees payable in respect of a purchase or redemption of units in that Asset Component;
- (c) **Minimum Fund Size.** Each Asset Component shall have an aggregate net asset value (as reported by its Fund Manager) of a minimum size that is acceptable to the Calculation Agent in its sole discretion; and
- (d) **Publication Requirement.** Each Asset Component shall report the Official Net Asset Value for the respective Asset Business Day applicable, which Official Net Asset Value shall be reported by its Fund Manager no later than close of business on the following Asset Business Day

**Provisions relating to Asset Components generally**

**30** Asset Terms: The provisions set out in Annex A (*Asset Terms*) will apply



## PART B - OTHER INFORMATION

### Interests of Natural and Legal Persons involved in the Issue

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. See the "Risk Factors" section in this document.

### Reasons for the Offer and Use of Proceeds

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).

### Estimated Expenses

Not applicable; there are no estimated expenses charged to the investor by the Issuer. See item 11 below for information on applicable fees.

### Terms and Conditions of the Offer

- |    |  |  |
|----|--|--|
| 1. | Offer Price:   | The Offer Price will be equal to the Issue Price |
| 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 EUR 25,000,000                             |

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 Distributor's website (<http://www.vdk.be/>)) on or around the Issue Date. The final amount of Securities will depend on the outcome of the offer.

- |    |   |  |
|----|---|--|
| 3. | Conditions 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 Issuer or the 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 Distributor, the 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 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 Distributor will inform

the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website (<http://www.vdk.be/>)) and repay the Offer Price and any commission paid by any investor without interest.

4. The time period during which the offer will be open ("**Offer Period**"):
- The Securities will be offered for sale to the public in Belgium during the period from, and including 26 August 2013 to, and including, 5:00 p.m., Central European Time on 30 September 2013

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 Distributor's website (<http://www.vdk.be/>)). 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 Distributor to subscribe for Securities in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally.
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.
8. Details of the method and time limits for paying up and delivering the Securities:
- Payments for the Securities shall be made to the Distributor on the Issue Date.

The Securities are expected to be delivered to the purchasers' respective accounts on or around the Issue Date.

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 Distributor's website (<http://www.vdk.be/>) 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 Distributor.

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 Distributor of the success of their application.

11. Amount of any expenses and taxes specifically charged to the subscriber or purchaser:
- The Issuer will pay a fee to the Distributor in connection with the Offer of up to 0.40 per cent. of the Specified Denomination per Security.

The Distributor will charge purchasers a subscription charge of 1.50 per cent. of the Offer Price for each Security purchased.

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: VDK Spaarbank  
Sint-Michielsplein 16  
9000 Gent  
Belgium
13. Consent: The Issuer consents to the use of the 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): VDK Spaarbank  
Sint-Michielsplein 16  
9000 Gent  
Belgium
- (b) Offer period for which use of the Prospectus is authorised by the Authorised Offeror(s): From, and including 26 August 2013 to, and including, 5:00 p.m., Central European Time on 30 September 2013
- (c) Conditions to the use of the Prospectus by the Authorised Offeror(s): The 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.

**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 document 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.**

## SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

### Initial Issue of Securities

Global Securities are issued in CGS form. Upon the initial deposit of a Global Security with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Securities in the name of any nominee for Euroclear and Clearstream, Luxembourg or DTC and delivery of the relevant Global Certificate to the Common Depositary or Custodian on behalf of DTC, Euroclear, Clearstream, Luxembourg or DTC will credit each subscriber with a nominal amount of Securities equal to the nominal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the Specific Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system as the holder of a Security represented by a Global Security must look solely to Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be) for his share of each payment made by the Issuer, to the bearer of such Global Security or the holder of the underlying Registered Securities as the case may be, and in relation to all other rights arising under the Global Securities, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be). Such persons shall have no claim directly against the Bank or the Relevant Branch in respect of payments due on the Securities for so long as the Securities are represented by such Global Security and such obligations of the Bank and the Relevant Branch will be discharged by payment to the bearer of such Global Security or the holder of the underlying Registered Securities, as the case may be, in respect of each amount so paid.

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 tradeable only in principal amounts of at least the Specified Denomination (or if more than Specified Denomination, the lowest Specified Denomination) provided hereon and integral multiples of the Tradeable Amount in excess thereof provided in the relevant Specific Terms.

### Exchange

#### Permanent Global Security

Each permanent Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Securities", in part for Definitive Securities or, in the case of (iii) below, Registered Securities:

- (i) if the permanent Global Security is an Exchangeable Bearer Security, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Security for Registered Securities, and
- (ii) otherwise, (1) if the permanent Global Security is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") and any such 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 in fact does so, or (2) if principal in respect of any Securities is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

#### Partial Exchange of Permanent Global Securities

For so long as a permanent Global Security is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Security will be exchangeable in part on one or

more occasions (1) for Registered Securities if the permanent Global Security is an Exchangeable Bearer Security and the part submitted for exchange is to be exchanged for Registered Securities, or (2) for Definitive Securities if principal in respect of any Securities is not paid when due.

### **Delivery of Securities**

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Issuer, will (i) in the case of a temporary Global Security exchangeable for a permanent Global Security, deliver, or procure the delivery of, a permanent Global Security in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Security to reflect such exchange or (ii) in the case of a Global Security exchangeable for Definitive Securities or Registered Securities, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Securities and/or Certificates, as the case may be. In this Programme Memorandum, "Definitive Securities" means, in relation to any Global Security, the definitive Bearer Securities for which such Global Security may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Security and a Talon). Definitive Securities will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Security, the Issuer, will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

### **Exchange Date**

"Exchange Date" means, in relation to a permanent Global Security, a day falling not less than 60 days, or in the case of an exchange for Registered Securities five days, or in the case of failure to pay principal in respect of any Securities when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

### **Amendment to Conditions**

The permanent Global Securities and Registered Global Securities contain provisions that apply to the Securities that they represent, some of which modify the effect of the terms and conditions of the Securities set out in this document. The following is a summary of certain of those provisions:

### **Payments**

All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of that Global Security to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities.

### **Prescription**

Claims against the Bank or the Relevant Branch in respect of Securities that are represented by a permanent Global Security will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in General Condition 8).

### **Meetings**

The holder of a permanent Global Security (unless such permanent Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, the holder of a permanent Global Security shall be treated as having one vote in respect of each minimum Specified Denomination of Securities for which such Global Security may be exchanged. (All holders of Registered Securities are entitled to

one vote in respect of each Security comprising such Securityholder's holding, whether or not represented by a Global Security.)

### **Cancellation**

Cancellation of any Security represented by a permanent Global Security that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Security.

### **Purchase**

Securities represented by a permanent Global Security may only be purchased by the Bank, or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any).

### **Events of Default**

Each Global Security provides that the holder may cause such Global Security or a portion of it, to become due and repayable in the circumstances described in General Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Security that is becoming due and repayable.

### **Notices**

So long as any Securities are represented by a Global Security and such Global Security is held on behalf of a clearing system, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security.

### INFORMATION RELATING TO THE ASSET COMPONENTS

The Asset Components are mutual funds. Information in relation to the Asset Components including information about past and future performance, as well as volatility, is available on the following websites (provided that such websites do not form part of this document or the terms and conditions of the Securities):

- (a) in respect of the Ethna-AKTIV E Fund, [tp://www.ethnafunds.com/sites/default/files/documents/informationsmaterial/verkaufsprospekt/VKP\\_Ethna-AKTIV\\_E\\_EN\\_0.pdf](http://www.ethnafunds.com/sites/default/files/documents/informationsmaterial/verkaufsprospekt/VKP_Ethna-AKTIV_E_EN_0.pdf);
- (b) in respect of the Carmignac Patrimoine Fund, [http://www.carmignac.fr/\\_docs/publication/1905/Pub106600.pdf](http://www.carmignac.fr/_docs/publication/1905/Pub106600.pdf);
- (c) in respect of the DNCA Eurose Fund, <http://www.dncafinance.com/fonds/fonds.aspx?pk=1>;  
and
- (d) in respect of the Bantleon Opportunities Fund, [http://www.bantleon.com/en/institutional\\_investors/downloads](http://www.bantleon.com/en/institutional_investors/downloads).

The values of each Asset Component are available on Bloomberg.

## TAXATION

### 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.

### **EU Savings Directive**

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 document. 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.

### **Withholding taxes**

Provided that the 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, the Issuer, acting through its London Branch, will be entitled to make payments of interest under the Securities without withholding or deduction for or on account of United Kingdom income tax.

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 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 the Issuer, acting through its London Branch, 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 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).

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer and does not consider the consequences of any substitution.

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.

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 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 Securities should qualify for inclusion within a stocks and shares ISA provided that:

- (a) the terms of the Securities do not require the loan to be repaid or the Securities to be redeemed or repurchased within the period of 5 years from the date on which the Securities are first held in the stocks and shares ISA; and
- (b) the terms of the Securities do not allow the holder of the Securities to require the loan to be repaid or the Securities to be redeemed or repurchased within the period of 5 years from the date on which the Securities are first held in the stocks and shares ISA except in circumstances which are neither likely nor certain to occur.

The Securities 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**

#### **FATCA**

Whilst the Securities are in global form and held within Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (together, the "ICSDs"), it is expected that sections 1471 to 1474 of the U.S. Internal Revenue Code ("**FATCA**") will not affect the amount of any payments made under, or in respect of the Securities by the Issuer, any paying agent and the Common Depositary, given that each of the entities in the payment chain between the Issuer and the participants in Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. The documentation expressly

contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances.

### ***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 the 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)**

### ***Stamp duty***

No stamp duty should be payable in relation to the issue of the Securities.

No United Kingdom stamp duty should be required to be paid on transfers of Securities on sale provided no instrument of transfer is used to complete such sales. An instrument transferring Securities on sale may be subject to stamp duty at a rate of 0.5 per cent. (or 1.5 per cent. in the case of a transfer to a Clearance Service (as defined below) or to a person issuing depository receipts) of the consideration paid for the Securities if the Securities are not Exempt Loan Capital. The Securities should constitute stock and/or loan capital for the purposes of section 99(3) FA 1986 ("**Loan Capital**"). "**Exempt Loan Capital**" means any security which constitutes Loan Capital and: (a) does not carry rights of conversion into or to acquire shares or securities; (b) has not carried and does not carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the relevant security; (c) subject to certain exceptions has not carried and does not carry a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or any part of, a business or to the value of any property; and (d) has not carried and does not carry a right to a premium which is not reasonably comparable with amounts payable on securities listed on the London Stock Exchange.

No United Kingdom stamp duty should be payable in relation to the exercise or redemption of the Securities.

### ***Stamp duty reserve tax ("SDRT")***

No SDRT should be payable in relation to the issue to any person providing a clearance service, or a nominee for any such person, within the meaning of section 96 FA 1986 (a "**Clearance Service**") of a Security provided that it is Exempt Loan Capital.

Subject to the comments in the paragraph below, except where an election has been made under which the alternative system of charge as provided for in section 97A FA 1986 (a "**s97A Election**") applies, SDRT should generally be payable in relation to the issue to a Clearance Service of a Security which is not Exempt Loan Capital, unless that Security is in bearer form and raises new capital or is issued in exchange for an instrument raising new capital, for the purposes of section 97(3)(b) FA 1986. Any such SDRT would be payable at a rate of 1.5 per cent. of the issue price.

Following the decision of the European Court of Justice as it then was (the "**ECJ**") in C-569/07 HSBC Holdings plc and Vidacos Nominees Ltd v The Commissioners of Her Majesty's Revenue & Customs and the First-tier Tax Tribunal decision in HSBC Holdings Plc and the Bank of New York Mellon Corporation v The Commissioners of Her Majesty's Revenue & Customs, HMRC has indicated that it will not seek to collect the 1.5% SDRT when new shares are first issued to a clearance service or a depository receipt system. HMRC accepts that these decisions are equally applicable to the issue of securities into clearance services or depository receipt systems where the security is a debt security which falls within the scope of Article 5(2)(b) of the Capital Duties Directive.

SDRT should generally not be payable in relation to an agreement to transfer a Security held within a Clearance Service provided that no s97A Election applies in respect of the Security. In the case of Securities held outside a Clearance Service, or Securities held within a Clearance Service where a s97A Election has been made, no SDRT should be payable in relation to any agreement to transfer such a Security, in each case, provided that it is Exempt Loan Capital.

## 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 document, 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.*

### **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 Securities as a private investment, are in principle subject to the following tax treatment in Belgium with respect to Securities. Other tax rules apply to Belgian resident individuals holding Securities not as a private investment but in the framework of their professional activity.

The following amounts are in general treated as interest for Belgian (withholding) tax purposes: (i) periodic interest income, (ii) any amount paid by the issuer in excess of the issue price on or before the maturity date, 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 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 in general 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 Securities which qualify as interest (as defined above under (i) and (ii)) 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 Securities 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 for the investor.

If the interest is paid outside of Belgium, i.e., without the intervention of a financial intermediary established in Belgium, the interest received on Securities (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.

Capital gains realised upon the sale of Securities 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 Securities.

Interest derived by Belgian corporate investors on the Securities and capital gains realised on Securities 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 under (i) and (ii) in the section "Tax treatment of Belgian resident individuals") on Securities 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 Belgian 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 Securities.

Interest derived from and capital gains realised on Securities 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 Securities 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 Securities.

Payments of interest (as defined under (i) and (ii) in the section "Tax treatment of Belgian resident individuals") on Securities 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 Securities 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 Securities are in principle not tax deductible.

### ***Tax treatment of non-resident investors***

The interest income on Securities 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.

Interest (as defined under (i) and (ii) in the section "Tax treatment of Belgian resident individuals") on Securities 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 Securities 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 usufructory of the Securities, (ii) has



not allocated the Securities to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii) above.

Non-resident holders using Securities 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 Securities 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 Securities, 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 Securities 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 Securities 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, or 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 (Dependent and Associated Territories).

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.

## **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.

## SELLING RESTRICTIONS

### GENERAL

Except as set out in this document, 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 document 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.

## 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.

#### **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.

## GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Securities. The issue of the Securities will be in accordance with the Organisational Guideline and Regulation of the Issuer dated 24 October 2012. No specific resolution of the Board of Directors of the Issuer is required.
2. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2012 and there has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 June 2013.
3. Save as disclosed in (i) the Form 20-F Dated 22 March 2013 (as defined in the Registration Document), under the heading "Litigation" (note 37 to the consolidated financial statements of Credit Suisse Group AG on pages 357-363 of the Annual Report 2012); and (ii) the Exhibit to the CS First Quarter Form 6-K Dated 8 May 2013 (as defined in the Registration Document), under the heading "Litigation" (note 29 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 144-145 of the Exhibit to the CS First Quarter Form 6-K Dated 8 May 2013); and (iii) the CS Form 6-K Dated 31 July 2013 (as defined in the Registration Document) under the heading "Litigation" (note 29 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 153 to 154 of the Third Exhibit to the CS Form 6-K Dated 31 July 2013), all of which are incorporated by reference in the Registration Document, the Issuer 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 the Issuer and its consolidated subsidiaries. Nor, to the best of the knowledge and belief of the Issuer, are any such proceedings pending or threatened.
4. Copies of the agency agreement and deeds of covenant of the Programme 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 Issuer or its London Branch, if applicable:
  - (a) the Memorandum and Articles of Association of the Issuer;
  - (b) the audited accounts of the relevant Issuer for the last two years;
  - (c) a copy of this document together with any supplement to this document; and
  - (d) a copy of any document incorporated by reference in this document.
5. 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.
6. 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.
7. The Securities may be accepted for clearance through the following clearing systems (which are the entities in charge of keeping the relevant records):
  - (a) Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium); and
  - (b) Clearstream Banking, société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg).

8. 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.

*Explanation of ratings as at 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.

9. If the Issuer publishes a supplement to the Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the 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 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.

**Registered Office of the Issuer**

**Credit Suisse AG, acting through its London Branch**

Paradeplatz 8  
CH-8001, Zurich  
Switzerland

**Fiscal Agent and Paying Agent**

**The Bank of New York Mellon, London Branch**

One Canada Square  
London E14 5AL  
England

**Paying Agent**

**The Bank of New York Mellon (Luxembourg)  
S.A.**

Vertigo Building – Polaris  
2-4 rue Eugene Ruppert  
L-2453 Luxembourg

**Calculation Agent and Dealer**

**Credit Suisse International**

One Cabot Square  
London E14 4QJ  
England

**Auditors**

**KPMG AG**

Badenerstrasse 172  
8004 Zurich  
Switzerland

**Legal Advisers to the Issuer and the Dealer**

*as to English law*

**Ashurst LLP**

Broadwalk House  
5 Appold Street  
London EC2A 2HA  
England