



J. Safra Sarasin

Swiss Base Prospectus

Dated as of July 04, 2023

(in accordance with Article 45 of the Federal Act on Financial Services (“**FinSA**”; Finanzdienstleistungsgesetz) of June 15, 2018 and approved by SIX Exchange Regulation Ltd as Reviewing Body (Prüfstelle) under FinSA on August 24, 2023

of

Bank J. Safra Sarasin Ltd, Basel

(a company with limited liability established under the laws of Switzerland)

which may also be acting through its Guernsey Branch:

Bank J. Safra Sarasin Ltd, Guernsey Branch

(the Guernsey branch of Bank J. Safra Sarasin Ltd)

The Securities (as defined below) are financial instruments, which do not qualify as units of a collective investment scheme under the Federal Act on Collective Investment Schemes (“CISA”) and are not registered thereunder. Therefore, the Securities are neither governed by the CISA nor supervised by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”). Accordingly, Investors do not have the benefit of the investor protection provided under the CISA.

Investors are exposed to the credit risk of the Issuer of the Securities. The Securities constitute direct, non-subordinated and unsecured liabilities of the Issuer and rank pari passu with each and all other current and future non-subordinated and unsecured liabilities of the Issuer. The insolvency of the Issuer may lead to a partial or total loss of the invested capital.



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IMPORTANT NOTICE

Under the terms of this Swiss Base Prospectus (the “**Base Prospectus**”), Bank J. Safra Sarasin Ltd, Basel, which may also be acting through its Guernsey branch (Bank J. Safra Sarasin Ltd, Guernsey Branch), both the head office and the Guernsey branch referred to as the “**Issuer**” unless the context suggest otherwise, may, from time to time, issue derivatives and debt instruments (the “**Security**” or “**Securities**”). The definition of “Security” or “Securities” may, where appropriate, be replaced by the definition of “**Note**” (plural “**Notes**”), “**Certificate**” (plural “**Certificates**”) or “**Product**” (plural “**Products**”) having the same meaning. Each Security will give the securityholder (the “**Securityholder**” or “**Investor**”) certain rights against the Issuer. These may include the right to receive from the Issuer a cash amount or the delivery of an asset or assets.

The Securities include warrants (the “**Warrants**”), structured products (the “**Structured Products**”) and debt instruments (the “**Fixed Income Products**”). The Securities may be based on and/or linked to any kind of underlying (as set forth in this Base Prospectus and in Final Terms as “**Underlying Asset**”, “**Underlying Instrument**” or simply “**Underlying**”), including a Share (including ADRs / GDRs), an Index, a Foreign Exchange Rate (including Currency Swap Rates), a Precious Metal, a Commodity, an Interest Rate or a Swap Rate (including Currency-, Interest-, Equity-Swap Rate), a Non-Equity Security (including Bonds and Structured Products), a Fund Share (including Exchange Traded Funds), a Futures or a Listed Option Contract, an Over-The-Counter Derivative Contract, a Crypto Currency, a Reference Rate, a Reference Entity (including the related Reference Obligation) or a derivative transaction concerning a Reference Entity (including Credit Default Swaps), as well as a Basket or Portfolio comprising a combination of the aforementioned underlyings.

The Securities are issued based on (i) the information set out in or incorporated by reference into this Base Prospectus, as supplemented from time to time; and (ii) the relevant final terms related to each Security (the “**Final Terms**”). This Base Prospectus and the Final Terms should always be read in conjunction with each other. Together with the Final Terms, this Base Prospectus, as supplemented from time to time, constitutes the product documentation (the “**Security Documentation**”) and the Prospectus pursuant to FinSA (“**Prospectus**”). In the event of any inconsistencies between this Base Prospectus and the Final Terms, the Final Terms shall prevail.

Securities issued under this Base Prospectus may be listed on the SIX Swiss Exchange Ltd, Switzerland (the “**SIX Swiss Exchange**” or “**SIX**”) or any other trading venue in Switzerland and admitted to trading on SIX Swiss Exchange or any successor thereof or any other trading venue in Switzerland, if the Final Terms provide for such a listing / trading.

This Base Prospectus has been approved by and is registered with the SIX Exchange Regulation Ltd (the “**SIX Exchange Regulation**”) acting as Reviewing Body (*Prüfstelle*) under FinSA on August 24, 2023. In accordance with FinSA, the approved Base Prospectus has been published on the Issuer’s website <http://derivatives.jsafrasarasin.com/index.html?id=45> and a printed copy of the approved Base Prospectus (as well as any document incorporated by reference into this Base Prospectus and, once available, the Final Terms) can be requested free of charge from the Issuer, Bank J. Safra Sarasin Ltd, P.O. Box, 4002 Basel, Switzerland, Telephone: +41 (0)58 317 4878 (please note: telephone calls with the Issuer may be recorded and by calling the number the caller consents to this business practice) or e-mail: derivatives@jsafrasarasin.com. This Base Prospectus is valid for 12 months from the date of approval and expires on August 23, 2024.

This Base Prospectus (including any document incorporated by reference) may include forward-looking statements that are based on the future financial development or future financial results, as well as other

statements that are not historical facts. Forward-looking statements can be identified by the use of terms such as “believe”, “expect”, “plan”, “project”, “estimate”, “anticipate”, “intend”, “aim”, “assume”, “may”, “could”, “will” and other similar expressions. These statements are based on assumptions and expectations that the Issuer considers realistic as of the date of this Base Prospectus, but that could subsequently prove to be incorrect. Such statements are inherently uncertain and subject to a variety of circumstances, many of which are beyond the Issuer's control. Due to this uncertainty of future developments, the Issuer assumes no liability in respect to or in connection with the forward-looking statements contained herein and potential investors (“**Prospective Investor**”) should not rely on forward-looking statements in any way. The Issuer is under no obligation to revise or update forward-looking statements even if new information, future events or other circumstances have made them incorrect or misleading.

The publication, distribution, delivery or otherwise making available of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct and complete at any time subsequent to the date hereof or that any other information published, distributed, delivered or otherwise made available in connection with the Base Prospectus is correct and complete as of any time subsequent to the date indicated in the document containing the same.

No person is authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus and the Final Terms or any other information supplied in connection with the Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised or made by all or any of the mentioned involved Parties in the Final Terms.

The information contained in this Base Prospectus and the relevant Final Terms with regard to the Underlying will consist of certain publicly available information. Such information does not purport to constitute all material information about the Underlying. The Issuer accepts responsibility for accurately reproducing such information. Otherwise neither the Issuer nor the Lead Manager accept further or other responsibility nor make any representation or warranty (express or implied) in respect of such information.

There is no obligation upon the Issuer or the Lead Manager to sell all of the Securities of any issue and the Issuer may at any time issue fungible tranches of any Securities. The Securities of any issue may be distributed or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or the Lead Manager, as the case may be, subject as provided above.

Neither this Base Prospectus nor the relevant Final Terms (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered a recommendation or an offer by or on behalf of the Issuer or the Lead Manager to subscribe for or to purchase any Securities. Each Prospective Investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Prospective Investors should review, inter alia, the most recently published annual report and accounts of the Issuer when deciding whether to purchase any Securities.

Prospective Investors should ensure that they understand the nature of the Securities and the extent of their exposure to risks and they should consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk, including the risk of expiring worthless. Prospective Investors should be prepared to sustain a total loss of the capital invested in Securities.

The distribution or sale of the Securities in certain jurisdictions is restricted by law. Persons, who obtain possession of the Security Documentation, are required to inform themselves and to consult their own legal advisor(s) about how to adhere to any restrictions as set out in this Base Prospectus and the relevant Final Terms. Neither the Issuer nor the Lead Manager accepts any legal responsibility for any violation by any person (whether or not a Prospective Investor applies to such restrictions).

This Base Prospectus is available in English only and provides information about the Issuer and the Securities. The Base Prospectus and the entire Security Documentation does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such distribution or solicitation is not authorised, subject to registration, approval, publishing or making available of any particular documentation or to any person to whom it is unlawful to make such distribution or solicitation and the Security Documentation must not be published, distributed, delivered or otherwise made available in such jurisdiction or to such person. No person has been authorized to give any information or make any representation in connection with the distribution of the Securities other than as stated herein and any other information or representation if given or made should not be relied upon as having been authorized by the Issuer.

Securities issued under this Base Prospectus may include Securities that are PRIIPs under Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance based investment products (PRIIPs) (the “PRIIPs Regulation”). PRIIPs may only be sold to retail investors (as defined in the PRIIPs Regulation) in the European Economic Area (“EEA”) if a key information document prepared in accordance with the PRIIPs Regulation (a “PRIIPs-KID”) is made available to such investors. If the Issuer has not prepared a KID for a Security, any offer or sale of such Security to retail investors in the EEA may be unlawful. Persons purchasing such Securities will be deemed to represent, warrant and undertake to the Issuer that they will not offer or sell any PRIIPs to retail investors in the EEA and that they will comply with the PRIIPs Regulation. The Issuer and Lead Manager expressly disclaims any responsibility for offers and sales of PRIIPs to retail investors in circumstances where PRIIPs are not intended to be sold to retail investors in the EEA.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be distributed, sold, traded, exercised or delivered, directly or indirectly, in the United States or to a U.S. Person (as such term is defined by Regulation S under the Securities Act).

This Base Prospectus does not meet the requirements for a base prospectus in accordance with the EU Prospectus Regulation (EU) 2017/1129 and therefore has not been submitted to any competent authority of the European Union (“EU”). The EU Prospectus Regulation defines the prospectus requirements for the purpose of a public offering of securities in countries of the European Economic Area (“EEA”) or their admittance to trading on a regulated market of the EEA.

SUMMARY OF THE BASE PROSPECTUS

*This summary (the "**Summary**") is an introduction to this Base Prospectus. Any information on the Securities will be supplemented by the relevant Final Terms. Any decision to invest in the Securities should not be based on this Summary but on a consideration of the Base Prospectus in its entirety, including the documents incorporated by reference, as completed, modified, supplemented and/or replaced by the relevant Final Terms.*

Prospective Investors in Securities should be aware that any liability for this Summary under Article 69 of FinSA is limited to cases where the information contained in this Summary is inaccurate, misleading or inconsistent when read together with the other parts of the Base Prospectus or the Final Terms.

Issuer: Bank J. Safra Sarasin Ltd, Basel, which may also be acting through its Guernsey Branch (Bank J. Safra Sarasin Ltd, Guernsey Branch)

The Issuer is incorporated and domiciled at Elisabethenstrasse 62, 4051 Basel, Switzerland, as a stock corporation ("Aktiengesellschaft") under Swiss law and registered with the commercial registry of the Canton of Basel-Stadt under the number CHE-105.933.773

The registered office of the Issuer's Guernsey Branch is 1st Floor, Frances House, Sir William Place, St. Peter Port, Guernsey GY1 3UY (Channel Islands) and is licensed by the Guernsey Financial Services Commission under the Banking Supervision Law 1994 and the Protection of Investors Law 1987.

Product Description: The Securities that may be issued under this Base Prospectus are Warrants, Structured Products and Fixed Income Products.

The main categories of Securities related to Warrants and Structured Products that may be issued under this Base Prospectus according to the SSPA Swiss Derivatives Map 2023 issued by the Swiss Structured Products Association SSPA (see <https://sspa.ch/en>) and are the following:

- a) Capital Protection Products
- b) Yield Enhancement Products
- c) Participation Products
- d) Investment Products with Additional Credit Risk
- e) Leverage Products

The main categories of Securities related to Fixed Income Products that may be issued under this Base Prospectus are the following:

- a) Fixed Income Rate Products
- b) Floating Income Rate Products
- c) Zero Income Rate Products
- d) Inflation Protected Income Products
- e) Structured Income Products

The Securities that are issued under this Base Prospectus may be based on and/or linked to any kind of underlying, including a Share (including ADRs / GDRs), an Index, a Foreign Exchange Rate (including Currency Swap Rates), a Precious Metal, a Commodity, an Interest Rate or a Swap Rate (including Currency-, Interest-, Equity-Swap Rate), a Non-Equity Security (including Bonds and Structured Products), a Fund Share (including Exchange Traded Funds), a Futures Contract or a Listed Option Contract, an Over-The-Counter Derivative Contract, a Crypto Currency, a Reference Rate, a Reference Entity (including the related Reference Obligation) or a derivative transaction concerning a Reference Entity (including Credit Default Swaps), as well as a Basket or Portfolio comprising a combination of the aforementioned underlyings.

Key information on the Securities

The key information on the Securities for a specific public offer or a specific admission to trading of the Securities will be set out in the relevant Final Terms.

Key information on the offer and admission to trading of the Securities, if applicable

The key information for a specific public offer and a specific admission to trading of the Securities will be set out in the relevant Final Terms.

Approval of Base Prospectus:

This Base Prospectus dated July 04, 2023 was approved by SIX Exchange Regulation Ltd (the “**SIX Exchange Regulation**”) acting as Reviewing Body (*Prüfstelle*) on August 24, 2023.

In the case of the public offering or the admission to trading on the SIX Swiss Exchange of any Securities, the relevant Final Terms will be filed with SIX Exchange Regulation and published in accordance with FinSA as soon as the final Terms & Conditions are fixed, and, in the case of an admission to trading, no later than the first day of trading. The Final Terms will not be approved by the SIX Exchange Regulation.

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RISK FACTORS

This Section entitled “Risk Factors” is intended to protect Prospective Investors in Securities from making investments that are not appropriate for them and to explain the risks associated with an investment in these Securities. The Issuer, however, gives no assurance that the following statements concerning the risks associated with the Securities are exhaustive. Prospective Investors should carefully study all information contained in this Base Prospectus and the relevant Final Terms, while taking into account their financial situation and their investment objectives before making any decision to acquire Securities.

Further risks may be listed in the Final Terms. In case of inconsistencies between Risk Factors listed in this Base Prospectus and those in the Final Terms, the Final Terms shall prevail.

Investment decisions should not be made solely on the basis of the risk warnings set out in this Base Prospectus, since such information cannot substitute investment advice and information considering a Prospective Investors' knowledge & experience, financial situation and investment objectives. An investment in the Securities involves risks. If one or more of the risks described below materialise, Investors may suffer a partial or even a total loss of the invested capital.

Prospective Investors should consult their own financial, legal, tax, and other professional advisors as to the risks arising from an investment in the Securities (in particular to evaluate a Security's sensitivity to changes in economic conditions, interest rates, exchange rates, indices or other factors which may have a bearing on the merits and risk of an investment).

An investment in these Securities involves risks relating to the Issuer and the Securities. While all risks are contingencies which may or may not occur, Prospective Investors should be aware that the risks with respect to the Securities include (i) the risk of the Issuer not to be able to fulfill its obligations under the Securities issued under the Base Prospectus and/or (ii) a decrease in the market value of the Securities whereby the market value falls short of the expectations of an Investor.

General Risk Factors

(a) *Legality of Purchase Risk*

The Issuer has no and assumes no responsibility for (i) the lawfulness of the acquisition of the Securities by Prospective Investors or for (ii) the compliance by Prospective Investors with any laws, regulations or regulatory policies applicable to them.

(b) *No Reliance*

The Issuer and all of its affiliates disclaim any responsibility to advise Prospective Investors of the risks and investment considerations associated with the purchase of the Securities as they may exist at the Issue Date of the Securities or from time to time thereafter.

Prospective Investors and Securityholders will at all times be solely responsible for making their own independent appraisal of, and investigation into, the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer. None of the Issuer, the Calculation Agent or any other agent nor any affiliate of any of them (or any person or entity on their behalf) will have any responsibility or duty to make any such investigations, to keep any such matters under review, to

provide the Securityholders with any information in relation to such matters or to advise as to the accompanying risks.

(c) *Swiss Bankers Association's brochure "Risks Involved in Trading Financial Instruments"*

Prospective Investors should refer to the Swiss Bankers Association's brochure "Risks Involved in Trading Financial Instruments" (download: <http://www.swissbanking.org/en/home/shop.htm>), as amended, for a more detailed description of the risks associated with an investment in Derivatives. Investors are deemed to have read and understood and, if necessary, discussed this brochure and the explanations contained therein with their legal, tax and financial advisors.

Risks Factors related to the Securities

(a) *No statutory or voluntary deposit protection scheme*

An investment in the Securities is no deposit (*Einlage*) within the meaning of the Swiss bank deposit protection (*Schweizer Einlagensicherung*) and thus will not be covered by any compensation or insurance scheme (such as a bank deposit protection scheme) of any government agency in Switzerland or any other jurisdiction and the Securities do not have the benefit of any government guarantee. The Securities are obligations of the Issuer only and Securityholders must look solely to the Issuer for the performance of the Issuer's obligations under the Securities. In the event of the insolvency of the Issuer, a Securityholder may lose all or some of its investment.

(b) *Risk of unsubordinated creditors in case of bankruptcy of the Issuer*

Any Securityholder assumes the risk that the Swiss Financial Market Supervisory Authority FINMA ("FINMA") initiates bankruptcy proceedings against the Issuer. This circumstance may arise if the Issuer is overindebted or has serious liquidity problems, or if it fails to meet the capital adequacy requirements after a deadline set by the FINMA.

If the Issuer were to become bankrupt, claims of Securityholders will rank equally in right of payment with all other unsecured and unsubordinated obligations of the Issuer, except such obligations are given priority by law. In such event, a Securityholder may lose all or some of its investment in the Security irrespective of any favourable development of the other value determining factors, such as the performance of the Underlying(s).

(c) *Risks related to the FINMA's broad statutory powers in relation to the Issuer*

Swiss banking laws provide FINMA with broad powers and discretion in the case of resolution procedures with respect to Swiss banks such as the Issuer. In such resolution procedures, FINMA may require the conversion of the Securities into equity of the Issuer and/or a partial or full write-off of the Securities. Where FINMA orders the conversion of the Securities into equity of the Issuer, the equity securities received may be worth significantly less than the Securities and may have a significantly different risk profile. If a partial or full write-off of Securities takes place, holders of Securities would lose all or some of their investment in such Securities.

(d) *Expansion of the spread between bid and offer prices*

In special market situations, where the Issuer is unable to conclude hedging transactions, or where such transactions are difficult to conclude, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks to the Issuer. Thus, Investors selling their Securities on an exchange or over-the-counter may be doing so at a price that is substantially lower than the actual value of the Securities at the time of sale.

(e) *Effect on the Securities of hedging transactions by the Issuer*

The Issuer may use a portion of the proceeds from the sale of the Securities for transactions to hedge the risks of the Issuer relating to the relevant Securities. In such case, the Issuer or a company affiliated with it may conclude transactions that correspond to the obligations of the Issuer under the Securities. As a rule, such transactions are concluded prior to or on the Initial Fixing Date, but it is also possible to conclude such transactions after this date. On or before a valuation date, if any, the Issuer or a company affiliated with it may take the steps necessary for closing out any hedging transactions. It cannot, however, be ruled out that the price of an Underlying Instrument, if any, is influenced by such transactions in individual cases. Entering into or closing out these hedging transactions may influence the probability of occurrence or non-occurrence of determining events in the case of Securities with a value based on the occurrence of a certain event in relation to an Underlying Instrument.

(f) *Be prepared to hold the Securities until Maturity*

Prospective Investors should note that a realisation in the secondary market of the Securities may be the only return potentially available to the Securityholders prior to the final settlement of the Securities. Unless otherwise specified in the Final Terms, there may be no periodic interest payments or other distributions made during the term of the Securities.

(g) *Trading Suspension of listed Securities*

It cannot be excluded that during the term of the Securities, the Underlying Asset (if any) is suspended from trading or de-listed from SIX Swiss Exchange or any other applicable exchange for reasons beyond the control of the Issuer and/or Calculation Agent. In case the Underlying Asset of the Securities is suspended from trading or de-listed, this might have material adverse effects on the Security and/or might lead to the suspension or de-listing of the Securities.

In addition, it cannot be excluded that the Securities may be suspended from trading or de-listed from SIX or any other applicable exchange during the lifetime of the respective Securities for other reasons.

(h) *Risks associated with an Issuer's Callable Right*

In case of Securities, which provide for an Issuer callable right, the Issuer is entitled to redeem the Securities in whole but not in part prior to the scheduled Maturity Date. The Issuer is likely to exercise its callable right when its cost of borrowing is lower than the yield on such Securities at the Issue Date.

As a result, (a) the market value of such Securities generally will not rise substantially above the optional early redemption price and (b) Securityholders may incur additional transaction costs as a

consequence of reinvesting proceeds received upon early redemption and any such reinvestment may be on less favourable terms than the relevant Securityholders' initial investment.

If the Issuer exercises its callable right, Securityholders should note that no interest payments that would otherwise have been due after the date of such early redemption will be paid and, if so specified in the Final Terms, no accrued and unpaid interest as of the date of such early redemption will be paid.

In case of Securities which are linked to an Underlying Instrument and if such Securities are redeemed early by the Issuer, Prospective Investors must be aware that any decline in the price of the Underlying Instrument between the point of the early redemption announcement and determination of the price of the Underlying Instrument used for calculation of the early redemption amount shall be borne by the Investors.

(i) No Investor's Puttable Right if not specified otherwise

If the Final Terms does not provide otherwise, Investors have no right to demand early redemption of the Securities during the term. In case the Investor has the right to redeem the Securities early but provided that the Investor does not exercise such right and it does not redeem the Securities early in accordance with the Final Terms of the Securities, the realization of any economic value in the Securities (or portion thereof) is only possible by way of sale.

The value of the Securities is determined not only by changes in market prices or the price of an Underlying Instrument, but also by several other factors. More than one risk factor can influence the value of the Securities at any one time, so that the effect of an individual risk factor cannot be predicted. Moreover, more than one risk factor may have a compounding effect that is unpredictable. No definitive statement can be made with respect to the effects of combined risk factors on the value of the Securities. These risk factors include the term of the Securities and the frequency and intensity of price fluctuations (volatility) of the Underlying Instrument as well as general interest and dividend levels. Consequently, the Securities may lose value even if the price of an Underlying Instrument remains constant.

(i) General Risks with regard to Securities with Interest Payments based on a Reference Rate

A key difference between Securities with one or more interest payments based on a Reference Rate ("Floating Rate Securities") and Securities with interest payments based only on a fixed rate ("Fixed Rate Securities") is that the interest payments based on a Reference Rate cannot be anticipated prior to the applicable fixing date with respect to the Reference Rate or, as the case may be, the relevant date on which such amounts are calculated pursuant to the Final Terms. Due to varying interest rates, Securityholders are not able to determine a definite yield at the time they purchase Floating Rate Securities, which means that their return on investment cannot be compared to that of investments having fixed interest rates.

Future levels of Reference Rates are dependent upon the supply and demand for funding in the money market. The supply and demand in the money market on the other hand is dependent upon macroeconomic factors, liquidity in the financial markets, currency developments and political factors, or upon other factors, depending on the specific type of the Reference Rate. Such factors affecting the levels of a Reference Rate may adversely affect the return (if any) on Floating Rate Securities. Depending upon the development of the Reference Rate, it is possible that the applicable fixing for one or more Interest Periods during the term of the Floating Rate Securities may

be zero, or, even if the fixing is above zero, it may be substantially lower than the interest rate that would be payable on other long-term Securities of the Issuer.

(k) *Determination of Spot Exchange Rates*

There is no centralized market for interbank foreign currency exchange trading. The Issuer and/or the Calculation Agent will determine, if applicable, the value of the spot currency exchange rate based on transactions traded through an electronic broking system (e.g. Reuters systems and/or Bloomberg Terminal), as well as on transactions traded by the Issuer and its affiliates in the interbank foreign exchange and/or precious metals market. The Issuer and/or Calculation Agent may in its reasonable discretion review any other source of information on transactions in the relevant spot exchange rates.

(l) *Consideration relating to the distribution of the Securities*

The Securities may be distributed during an offer period as specified in the (Final) Terms. During such offer period, the Issuer and/or any other person specified in the Final Terms may reserve the right to cancel such offer and/or to scale back applications for such offer. Any payments made by an applicant Investor for those Securities that are not issued to such applicant Investor for any such reason will be refunded. However, there will be a time lag in making any reimbursement, no interest will be payable in respect of any such amounts and the applicant Investor may be subject to reinvestment risk.

Further, Prospective Investors should note that, in certain circumstances, Securities may not be issued on the originally designated Issue Date, for example because either the Issuer and/or any other person specified in the Final Terms has reserved the right to postpone such Issue Date or, following the publication of a supplement to this Base Prospectus the Issuer has decided to postpone such Issue Date to allow Investors who had made applications to subscribe for the Securities before the date of publication of such supplement to exercise their right to withdraw their acceptances. In the event that the Issue Date is so delayed, no interest shall accrue (if applicable) until the Issue Date of the Securities and no compensation shall be payable.

(m) *Time Lag between final valuation and Redemption Date*

Where the Securities are to be settled by a cash payment or physical delivery of the Underlying, then, upon their final valuation, there may be, according to the Final Terms, a time lag between the time of valuation and the time the applicable cash amount or asset amount relating to such final valuation is determined. Such delay could be significantly longer, particularly in the case of a delay in final valuation of such Securities arising from, as described below, any daily maximum exercise limitation or, as described below, upon the determination by the Issuer and/or Calculation Agent that an event has occurred at any relevant time. The applicable cash amount or asset amount could decrease from what it would have been but for such delay. Losses in the value of the cash amount or asset amount can therefore still occur after the corresponding final Determination Date, and are borne by the Securityholder.

(n) *No limitation on the incurrence of indebtedness*

The terms and conditions of the Securities do not limit the Issuer's ability to incur additional indebtedness, including indebtedness that ranks senior or pari passu in priority of payment to the Securityholders.

Any such additional indebtedness may reduce the amount recoverable by Securityholders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims ranking senior to the Securityholders (such as secured claims), there may not be a sufficient amount to satisfy the amounts owing to the Securityholders.

(o) *Adjustment Events and Risks*

The Issuer is entitled to make adjustments to the terms and conditions of the Securities following the occurrence of a Potential Adjustment Event or Disruption Event which may include any event which materially affects the theoretical economic value of the Underlying Asset or any event which materially disrupts the economic link between the value of the Underlying Asset and the Securities subsisting immediately prior to the occurrence of such event.

On the occurrence of a Potential Adjustment Event or Disruption Event, the Issuer is entitled to adjust the Terms & Conditions, terminate and cancel the Securities, or in certain cases, substitute the relevant Underlying Asset (if any) affected by such event. A Potential Adjustment Event or Disruption Event may include an event which materially affects the method by which the Issuer and/or Calculation Agent determines the level or price or the ability to determine the level or price of the Underlying Asset.

In addition, an Potential Adjustment Event or Disruption Event may occur where it is illegal or no longer practical for the Issuer to maintain its hedging arrangements (if any) for the Securities or where materially increased costs or expenses would be incurred by the Issuer in maintaining those arrangements. A Potential Adjustment Event or Disruption Event may also occur in a situation where certain market disruptions exist or a force majeure occurs (being an event or circumstance which prevents or materially affects the performance of the Issuer's obligation).

Any adjustment made due to a Potential Adjustment Event or Disruption Event or any adjustment or termination of the Securities or replacement of the Underlying Asset following a Potential Adjustment Event or Disruption Event may have an adverse effect on the Securities and the Securityholder. In particular, the value of the Securities may fall and amounts payable or assets deliverable under the Securities may be less and may be made at different times than anticipated. This is part of the economic risk Securityholders bear when investing in the Securities and the basis on which the Securities are priced.

If the Issuer terminates early the Securities following an Potential Adjustment Event or Disruption Event, the Issuer will, if and to the extent permitted by applicable law, pay the Securityholder of each such Security an amount determined by the Issuer and/or Calculation Agent to be its fair market value taking into account the relevant event less the direct and indirect cost to the Issuer of unwinding any Underlying Asset related hedging arrangements. Such amount may be significantly less than an Investor's initial investment in the Securities and in certain circumstances may be zero.

(p) *Effect of Transaction Costs and Charges*

An Investor's total return on an investment in any Securities will be affected by the level of fees charged by any nominee service provider through which it holds its Securities and/or Clearing System used by the Investor.

When the Securities are issued or sold, several types of incidental costs, fees, commissions and

profits are included in the purchase price of the Securities. Such costs, fees, commissions and profits may include (a) hedging costs and brokerage fees incurred by the Issuer in connection with the issuance of the Securities; (b) a profit priced into the Issue Price for the benefit of the Issuer; (c) other costs incurred by the Issuer in connection with the issuance of the Securities (including, without limitation, costs for external legal and tax advice, transfers of Securities, custody services). Such costs, fees, commissions and profits reduce the value of the Securities in the sense that a potential bid price will exclude such elements and therefore is likely to be lower than the issue price or offer price of the Securities.

Prospective Investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Securities.

(q) *Disruption Events*

The Securities may be subject to Disruption Events, as set out in Condition 19 “Notices” of the General Terms & Conditions or in the Final Terms. The Issuer and/or Calculation Agent may determine in its sole and absolute discretion if a Disruption Event has occurred or exists at any time. Any such determination may lead to (i) a postponement or a suspension of payments under the Securities; and/or (ii) a determination of payments under the Securities based on other parameters or information; and/or (iii) a redemption of the Securities on a date occurring earlier or later than the envisaged Redemption Date; and/or (iv) a redemption which is made in another way as initially defined (e.g. by Physical Settlement of the Underlying instead of a Cash Settlement or vice versa).

Any of the above mentioned actions may in turn have an adverse effect on the value of the Securities. Neither the Issuer nor the Calculation Agent has any liability vis-à-vis the Securityholders for any losses incurred by them as a consequence of the determination that in case of a Disruption Event has occurred.

Further, the methodology, content, composition, constitution or administrator of a rate, quote, price or other information that is required to make a determination in respect of the Securities may change. In such case, the Issuer and/or Calculation Agent may reasonably determine a successor or alternative for such rate, quote, price or other information which is commonly used by market participants as successor or alternative rate, quote, price or other information. Any such determination of a successor or alternative for such rate, quote, price or other information may have an adverse effect on the value of the Securities. Any such determination made by the Issuer and/or Calculation Agent is binding and the Issuer and/or Calculation Agent do not have any liability in respect thereof.

(r) *Settlement Disruption Event*

Where Securities provide for Physical Settlement, the Issuer and/or Calculation Agent may determine that a Settlement Disruption Event is subsisting. A Settlement Disruption Event is an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer is not practicable. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities.

(s) *Taxation and Changes in Tax Law*

The tax considerations set forth in the Base Prospectus reflect the view of the Issuer based on the

legislation applicable at the date of issuance of the Base Prospectus. It cannot, however, be ruled out that the tax treatment by the tax authorities and courts changes. Additionally, the tax considerations set forth herein may not be used as the sole basis for the decision to invest in the Securities from a tax perspective, since the individual situation of each Prospective Investor must also be taken into account. Thus, the considerations regarding taxation contained in the Base Prospectus do not constitute any sort of material information or tax advice nor are they in any way to be construed as a representation or warranty with respect to specific tax consequences.

Any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of any Securities may change at any time (including during any subscription period or the term of any Securities). Any such change may have an adverse effect on a Securityholder, including that Securities may be redeemed before their due date, their liquidity may decrease and/or the amounts payable or receivable by or to an affected Securityholder may be less than otherwise expected by such Securityholder.

Prospective Investors may be required to pay taxes, charges or duties in accordance with the laws and practices of the country where the Securities are transferred to or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Prospective Investors are advised not to rely upon the tax summary contained in this document and/or in the Final Terms but to ask for their own tax advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the Prospective Investor.

Prospective Investors should consult with their personal tax advisors before making any decision to purchase the Securities and must be aware of and be prepared to bear the risk of a potential early redemption due to tax reasons. The Issuer does not accept any liability for adverse tax consequences of an investment in the Securities.

(t) U.S. withholding and reporting

The Foreign Account Tax Compliance Act (commonly referred to as “FATCA”), incorporating Sections 1.1471-1.1474 (Chapter 4 of the United States Internal Revenue Code, the “Code”), is effective since 1 July 2014.

The United States have negotiated Intergovernmental Agreements (“IGAs”) to facilitate the implementation of FATCA with many jurisdictions. Different rules than those described below may apply if a Securityholder is resident in one of those jurisdictions. Securityholders should be aware that payments under the Securities may be subject to U.S. withholding and reporting under FATCA rules.

Revenue Procedure 2022-43 of the Code sets forth the final Qualified Intermediary (“QI”) agreement (“QI Agreement”) entered into under Section 1.1441 (Chapter 3 of the Code).

The following terms are to be interpreted as defined under Sections 1.1471-1.1474 and 1.1441 of the Code, under any applicable IGA and/or under any applicable guidance thereto.

The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of currently thirty (30) per cent (or the then applicable rate) on all, or a portion of, payments subject to withholding under FATCA and/or QI rules and to report

such withholding and payments.

The Issuer is a Reporting Model 2 Foreign Financial Institution (“FFI”) under FATCA and a QI under the QI Agreement and may be obliged to provide certain information on certain Investors to the U.S. Internal Revenue Service (“IRS”) and/or other U.S. authorities and/or any authorities of the countries where the Issuer operates. FATCA and/or QI withholding and reporting may be triggered, among others, (i) if an Investor does not provide sufficient documentation to the Issuer to determine whether the Investor and/or any of the persons on whose behalf the Investor acts, is a U.S. person or a non-U.S. person and/or should be treated by the Issuer as a Non-Participating FFI; and/or (ii) if an Investor does not consent, where applicable, to allow the Issuer to disclose to the IRS or other U.S. authorities or any authorities of the countries where the Issuer operates the required information on the Investor and the transactions; and/or (iii) if any FFI that is an Investor or acts as intermediary for an Investor and through which payments on such Securities are made, is a Non-Participating FFI. Investors subject to FATCA and/or QI withholding may be unable to claim or obtain refunds from the IRS of any tax withheld and the Issuer will not assist Investors in filing any such claims.

If as a result of FATCA and/or QI rules any amounts were deducted or withheld from interest, Outstanding Principal Amount or other payments under the Securities, the Issuer will have no obligation to pay any additional amounts to compensate or otherwise indemnify Investors for any such withholding or deduction by the Issuer, a Paying Agent or any other party. As a result, Investors may receive less interest or Outstanding Principal Amount than expected and may suffer losses not foreseen at the time of the investments.

The Issuer expects that the Paying Agents and the relevant Clearing Systems used to make payments under the Securities will be Participating FFIs, Registered Deemed-Compliant FFIs or FFIs with any other appropriate FATCA status.

The Securityholder should, consequently, be aware that payments under these Securities may under certain circumstances be subject to U.S. withholding and reporting under FATCA and/or QI.

The Issuer may not provide any advice concerning FATCA or QI rules or any other U.S. tax regulations. Current and Prospective Investors in the Securities are strongly advised to obtain independent qualified advice concerning their possible status for the purpose of the U.S. withholding tax regulations and any consequences thereof.

(u) U.S. withholding under the Hiring Incentives to Restore Employment Act

U.S. Treasury Department regulations under Section 871(m) of the Code require withholding of currently up to thirty (30) per cent on payments or deemed dividend equivalent payments made on certain financial instruments (e.g. the Securities) to the extent that such payments are contingent upon or determined by reference to U.S. source dividends. Under U.S. Treasury Department regulations, certain payments or deemed dividend equivalent payments made to Securityholders with respect to certain equity-linked instruments that reference U.S. stocks or indices that include U.S. equities may be treated as dividend equivalent amounts (“Dividend Equivalent”) subject to U.S. withholding tax at a rate of currently up to thirty (30) per cent.

Under these regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the Conditions of the Securities and it may be, hence, impossible for Investors to determine whether the Securities include Dividend Equivalents.

Significant aspects of the application of these regulations to the Securities are uncertain. Payments on Securities, other than Grandfathered Securities, treated by the applicable regulations as being contingent upon, or determined by reference to, any U.S. source dividends may be subject to this withholding.

Withholding on Dividend Equivalent payments will generally be required when the relevant payment is made on a Security or upon the date of maturity, lapse or other disposition by an Investor in the Securities. Securities may be treated as making Dividend Equivalent payments to the extent that U.S. source dividends are, or are expected to be paid on the underlying equity securities, even if no corresponding payment on the Security effectively takes place or is explicitly linked to such dividends and even if, upon maturity, lapse or other disposition by the Investor, the Investor realizes a loss. The regulations provide exceptions to withholding, in particular for certain instruments linked to certain broad-based indices.

In the event any withholding would be required pursuant to Section 871(m) of the Code with respect to payments on the Securities, neither the Issuer nor any Paying Agent or other person pursuant to the Conditions of the Securities would be obliged to pay additional amounts to the Securityholders as a result of the deduction or withholding, in which case the Securityholders would thus potentially receive less than expected. In the worst case, any payments to be made in respect of the Securities would be reduced to zero or the amount of tax due would potentially exceed the payments to be made in respect of the Security (the latter situation may also arise if the Securities were to expire worthless and no payment was made to Securityholders).

The related Final Terms will normally indicate whether the Issuer has determined that a Security will be subject to the Section 871(m) withholding regime, and the Issuer will determine whether Dividend Equivalent payments on the Securities are subject to withholding as of the close of the relevant market(s) on the fixing date. If withholding is required, the Issuer (or the applicable paying agent) may withhold at the maximum tax rate (currently 30%) in respect of Dividend Equivalent payments paid or deemed paid on the Securities and will not pay any additional amounts to the Securityholders with respect to any such taxes withheld regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Securityholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all and the Issuer will not assist Securityholders in any such claims.

Even if the Issuer determines at the Initial Fixing Date that a Security is not specified as a Security subject to the Section 871(m) withholding regime, it is possible that a Security could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the relevant Underlying or a Securityholder, and following such occurrence the Security could be treated as a Security subject to the Section 871(m) withholding regime that are subject to withholding on Dividend Equivalent payments. It is also possible that withholding tax or other tax under Section 871(m) could apply to the Securities under these rules if a Securityholder enters, or has entered, into certain other transactions in respect of the relevant Underlying.

Prospective Investors and Securityholders should, consequently, be aware that payments under the Securities may be subject to U.S. withholding tax and consult their tax advisers regarding the application of Section 871(m) of the Code and the applicable regulations to the Securities.

(v) *The proposed Financial Transaction Tax*

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common Financial Transaction Tax (the “FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “Participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) under certain circumstances. Primary market transactions (issuances and subscriptions) referred to in Article 5(c) of Regulation (EC) No 1287/2006 should be exempt.

Under the Commission’s Proposal the FTT could apply under certain circumstances to persons both within and outside the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the Issuer of the financial instrument is established in a Participating Member State.

In 2019, ten participating states agreed to continue with the discussion about introducing an EU FTT with a revised proposal. In 2021, under the Portuguese presidency of the Council it was proposed to gradually implement the revised version based on the tested FTT models of France and Italy, as both of them already introduced a unilateral FTT. In 2021, Spain also established a unilateral FTT.

The EU Commission will present a proposal for a financial transaction tax as a new EU own resource as part of Union’s long-term budget and the EU’s recovery fund by June 2024 with a view to its planned introduction on January 1, 2026. The key features of an EU financial transaction tax as a new own resource have yet to be defined. Once the EU FTT will be introduced, all EU states following the EU FTT will have to abolish their existing unilateral model. EU Member states that are not following the EU FTT will not have to abolish their existing FTTs. This might lead to a risk of double taxation. Additional EU Member States may decide to participate.

Prospective Investors are advised to seek their own professional advice in relation to the FTT.

(w) *Change of applicable Law*

Upon the Issuer becoming aware of (a) the adoption of, or change in, any applicable law or (b) the promulgation of, or any change in, the interpretation of any applicable law by a court, tribunal or regulatory authority with competent jurisdiction, which has the effect that its performance under the Securities has become unlawful or impracticable in whole or in part for any reason, the Issuer may (i) amend the Security Documentation of the Securities to cure such unlawfulness or impracticability or (ii) redeem the Securities.

In the case of early redemption, if permitted by applicable law, the Issuer shall pay the Investor in such Securities an amount equal to a Cash Settlement Amount notwithstanding such illegality, as determined by the Issuer and/or Calculation Agent in its reasonable discretion. A Securityholder should be aware that this Cash Settlement Amount may be less than the Investor’s initial

investment.

Following any such early redemption of the Securities, the Investors of such Securities may not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate or yield on the Securities.

(x) *Amendments to the Securities bind all Securityholders*

The terms and conditions of the Securities may be amended by the Issuer, in certain circumstances, without the consent of the Securityholder.

(y) *Limited Ability for Securityholders to hedge Risks with the Securities*

Prospective Investors intending to purchase the Securities for the purpose of hedging their exposure to the Underlying Asset (if any) should recognise the risks of utilising the Securities in such manner. No assurance is or can be given that the value of the Securities will correlate with movements in the value of the Underlying Asset and the composition of any of the Underlying Asset may change over time.

Furthermore, it may not be possible to liquidate the Securities at a price which directly reflects the value of the constituents of the Underlying Asset. Therefore, there can be no assurance as to the level of any correlation between the return on an investment in the Securities and the return on a direct investment in the Underlying Asset.

The hedging strategy in order to limit the risks associated with the Securities might not be successful.

Risks Factors related to the Market

Changes in interest and foreign exchange rates, financial instruments and real estate valuations and increases in volatility can increase credit and market risks and may also affect customer flow-related revenues. Concerns about geopolitical developments, oil prices, and natural disasters, among other things, can affect the global financial markets. Accounting and corporate governance scandals in recent years have had a significant effect on Investor confidence. Set out below is a brief description of the significant market risks.

(a) *The Secondary Market generally*

As the Securities might not be listed or traded on any exchange, pricing information regarding the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. The liquidity of the Securities may also be affected by restrictions on the purchase and sale of the Securities in some jurisdictions.

The Issuer and/or the Calculation Agent, unless otherwise specified in the Final Terms, intends, under normal market conditions, to provide valuation prices (bid and/or offer prices) for the Securities on a regular basis. However, the Issuer and/or the Calculation Agent, as applicable, makes no firm commitment to provide liquidity by means of the valuation prices for the Securities, and assumes no legal obligation to quote any such prices or with respect to the level or

determination of such prices. Prospective Investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price. Furthermore, if a Securityholder receives indicative prices for the Securities, it may be significantly different from a theoretical price determined by pricing models used by the Issuer and/or Calculation Agent or any other market participant. Therefore, if the Issuer provides valuations to Securityholders which are generally based on such models, Securityholders should not assume that they will be able to dispose the Securities at prices equal or close to such valuation.

It cannot be excluded that the number of Securities actually placed and purchased by Investors is less than the intended Issue Size or, as the case may be, the intended initial Aggregate Nominal Amount of the Securities. Consequently, there is the risk that due to the low volume of Securities actually placed, the liquidity of the Securities is lower than if the full Issue Size or, as the case may be, the initial Aggregate Nominal Amount were placed and purchased by Investors.

Additionally, the Issuer has the right (but no obligation) to purchase the Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation.

Therefore, Securityholders may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt Securities. Illiquidity may have a severely adverse effect on the market value of Securities.

Prospective Investors of Securities listed on the SIX Swiss Exchange should be aware that SIX Swiss Exchange generally does not require a mandatory market making for Securities listed on the SIX Swiss Exchange; limited exemptions apply for e.g. actively managed certificates or COSI Securities, as required by SIX regulations.

(b) Exchange Rate Exposure and Exchange Controls

The Issuer will pay, if applicable, the Outstanding Principal Amount and interest on the Securities in the specified Currency according to the Final Terms. This presents certain risks relating to currency conversions if for example (i) the Investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Currency of the Securities, (ii) if the Underlying Asset (if any) is denominated in a currency other than the Currency of the Securities or/and, (iii) if the Securities are denominated in a currency other than the currency in which an Investor wishes to receive funds. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency would decrease (1) the Investor's Currency-equivalent yield on the Securities, (2) the Investor's Currency-equivalent value of the Outstanding Principal Amount payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Investors may receive less interest or Outstanding Principal Amount than expected, or in worst case no interest or no

Principal Amount will be paid.

If the Prospective Investor's right vested in the Securities is determined on the basis of a currency other than the Settlement Currency, or if the value of the Underlying Asset (if any) is determined in a currency other than the Settlement Currency, Prospective Investors should be aware that investments in these Securities could entail risks due to fluctuating exchange rates, and that the risk of loss does not depend solely on the performance of the Underlying Asset, but also on unfavourable developments in the value of the such other currency.

If applicable, the Quanto feature cancels the currency exposure on the Securities payoff on the Redemption Date or the Expiration Date. Hence, on maturity or expiration, a Security denominated in a currency different from the Underlying Asset's currency, will have a payoff calculated only on the performance of the Underlying, with no account taken for the exchange rate between the two currencies at such time. During the life of the Note, this non-exposure to currency may come at a cost or benefit depending on the difference between the domestic and foreign interest rates and the exchange rates between the currencies.

(c) *Interest Rate Risk*

An investment in the Securities may involve interest rate risk where there are fluctuations in the interest rates payable on deposits in the Settlement Currency of the Securities. This may influence the market value of the Securities.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation, central bank and government intervention or other political factors. Fluctuations in short term and/or long term interest rates may affect the value of the Securities.

Interest rate changes based on a fixed rate ("Fixed Rate Securities") may have the same impact on the value of the Securities as for fixed rate bonds: rising interest rates will under normal conditions result in a lower, falling interest rates in a higher value of the Securities.

Where Coupon amounts are payable in respect of the Securities and the relevant Coupon rate is determined by reference to an Interest floating rate ("Floating Rate Securities"), the market value of the Securities may decrease if the Coupon amounts to be paid during the remaining term of the Securities are expected to decrease, whereas an increase in the expectations of the level of the Coupon amounts to be paid in respect of the Securities may result in an increase in the market value of the Securities. The Coupon rate will fluctuate, among other things, as a result of any changes in the method of calculating the relevant interest rate, changes in prevailing interest rates, general economic conditions, conditions of financial markets and European and international political events.

The levels of relevant Interest Rates are generally determined by an independent organization or a governmental authority, often based on information provided by market participants who may include the Issuer. The entity publishing the level of an Interest Rate can modify the calculation method for determining such level or make other changes to the methodology that could adversely affect the level of the Interest Rate. Such entity may also alter, discontinue or suspend calculation or dissemination of the Interest Rate. Such entity is not involved in the offer and sale of the Securities and has no obligation to invest therein. Finally, such entity publishing the level of an Interest Rate may take any actions in respect of the Interest Rate without regard to the interest of

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

The historical value of the the Interest Rate does not indicate the future performance of the Interest Rate. Changes in the value the Interest Rate will affect the trading price of the Securities, but it is impossible to predict whether the value of the Interest Rate will rise or fall.

(d) Inflation Risk

Inflation risk is the risk of future money depreciation. The real yield on an investment is reduced by inflation. Consequently, the higher the rate of inflation, the lower the real yield on the Securities will be. If the inflation rate is equal to or higher than the yield under the Securities, the real yield on the Securities will be zero or even negative. Further, the real economic value of the Redemption Amount or Partial Redemption Amount, as applicable, will be influenced by the rate of inflation and the term of the Securities. Consequently, the higher the rate of inflation and the longer the term of the Securities, the lower the real economic value of the Redemption Amount or Partial Redemption Amount, as applicable, will be.

(e) Reinvestment Risk

Prospective Investors may be exposed to risks connected to the reinvestment of cash resources freed from the Securities, in particular as the result of an early redemption of the Securities. The return a Securityholder will receive depends not only on the market value of, and payments (or other benefits) to be received under, the Securities, but also on whether or not such payments (or other benefits) can be reinvested on the same or similar terms as provided for in the Securities.

(f) Credit Ratings may not reflect all Risks

One or more independent credit rating agencies may assign credit ratings to the Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold Securities and may be revised or withdrawn by the rating agency at any time.

Risks Factors related to Underlying Assets

(a) General Information

The Securities may be linked to the performance of one or a combination of the following Underlyings (which we refer to “**Underlying Asset**”); a **Share**, an **Index**, a **Foreign Exchange Rate** (including Currency Swap Rates), a **Precious Metal**, a **Commodity**, an **Interest Rate** or a **Swap Rate** (including Currency-, Interest-, Equity-Swap Rate), a **Non-Equity Security** (including Bonds and Structured Products), a **Fund Share** (including Exchange Traded Funds), a **Futures** or a **Listed Option Contract**, an **Over-The-Counter Derivative Contract**, a **Crypto Currency**, a **Reference Rate**, a **Reference Entity** (including the related Reference Obligation) or a derivative transaction concerning the Reference Entity (including Credit Default Swaps), as well as a **Basket** or **Portfolio** comprising the aforementioned Underlying Assets.

The market value of Securities linked to Underlying Assets will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to, the following factors:

- (i) the value and volatility of (i.e. the rate of change in value of) any Underlying Asset;
- (ii) where the Underlying Asset is/are equity securities, the dividend rate on the Underlying Asset and the financial results and prospects of the Issuer of each Underlying Asset;
- (iii) liquidity of (i.e. the depth of the market for and number of people willing to offer to purchase) the Underlying Asset in the secondary market;
- (iv) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Underlying Asset may be traded;
- (v) where Securities are linked to any Underlying Asset in conjunction with a multiplier greater than or less than one or some other leverage factor, the effect of changes in the Underlying Asset on the Outstanding Principal Amount or interest payable will likely be magnified or reduced as applicable; and
- (vi) the timing of changes affecting any Underlying Asset affect the actual yield to Investors, even if the average level is consistent with their expectations.

Some or all of the amounts payable or assets deliverable on exercise, redemption or periodically under the Securities will be determined by reference to the price or value of the Underlying Asset as set out in the Final Terms. Accordingly, Prospective Investors should review carefully the Final Terms in order to understand the effect on the Securities of such linkage to the Underlying Asset.

Prospective Investors should understand the risks of transactions involving Securities linked to Underlying Asset and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities linked to Underlying Asset in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities linked to Underlying Asset and the particular Underlying Asset to which the value of, or payments in respect of, the relevant Securities linked to Underlying Asset may relate, as specified in the Final Terms.

As the amount of interest payable periodically and/or any Early Redemption Amount and/or the Final Redemption Amount payable at maturity may be linked to the performance of the relevant Underlying Asset, an Investor in a Security linked to an Underlying Asset must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying Asset.

PROSPECTIVE INVESTORS MUST REVIEW ALL THE TERMS & CONDITIONS OF THE SECURITIES (INCLUDING THE FINAL TERMS) TO ASCERTAIN WHAT THE RELEVANT UNDERLYING ASSET IS, IF ANY, AND TO SEE HOW THE FINAL REDEMPTION AMOUNT, ANY EARLY REDEMPTION AMOUNT AND ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED, AND WHEN ANY SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY SECURITIES LINKED TO UNDERLYING ASSET.

(b) *No Right of Ownership in the Underlying Asset*

The Securities convey no interest in the Underlying Asset if not otherwise specified in the Final Terms. The Issuer may choose not to hold the Underlying Asset or any derivatives contracts linked to the Underlying Asset. There is no restriction through the issue of the Securities on the ability of the Issuer and/or Calculation Agent to buy, sell, pledge or otherwise convey all right, title and interest in any Underlying Asset or any derivatives contracts linked to the Underlying Asset. 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 referenced by such Securities.

(c) *Past Performance is not indicative of future Performance*

The value of the Securities will fluctuate commencing from the Initial Fixing Date or Issue Date. The historical experience of any Underlying Asset should not be viewed as an indication of the future performance of such Underlying Asset during the term of any Securities with the value of the Outstanding Principal Amount or interest determined by reference to such Underlying Asset. Accordingly, Prospective Investors should consult their own financial and legal advisers about the risk entailed by an investment in any such Securities and the suitability of such Securities in light of their particular circumstances.

(d) *Exposure to Performance of Basket and its Constituents*

Where the Securities are linked to or reference a Basket of Underlyings, the Securityholders in such Securities are exposed to the performance of such Basket. The Securityholder will bear the risk of the performance of each of the Basket Components.

Securityholders must be aware that even in the case of a positive performance of one or more Basket Components, the performance of the Basket as a whole may be negative if the performance of the other Basket Components is negative to a greater extent, according to the Final Terms of the relevant Securities.

The performance of a Basket that includes a smaller number of Basket Components will generally be more affected by changes in the value of any particular Basket Component included therein than a Basket that includes a greater number of Basket Components. The performance of a Basket that gives greater weight to some Basket Components will generally, according to the Final Terms, be more affected by changes in the value of any such particular Basket Component included therein than a Basket that gives relatively equal weight to each Basket Component.

Correlation of Basket Components indicates the level of interdependence among the individual Basket Components with respect to their performance. If, for example, all of the Basket Components 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: Prospective Investors should be aware that, though Basket Components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the Basket Components will exaggerate the performance of the Securities.

Where the Securities grant the Issuer and/or Calculation Agent the right, in certain circumstances,

to adjust the composition of the Basket, Securityholders should be aware that any replacement Basket Component may perform differently from the original Basket Component, which may have an adverse effect on the performance of the Basket which will in turn have an adverse effect on the value of the Securities.

(e) *Disruption Event and Postponement or Alternative Provisions*

If the Issuer and/or Calculation Agent determines that any form of disruption event in relation to the Underlying Asset has occurred which affects the valuation of such Underlying Asset, the Issuer and/or Calculation Agent may apply any consequential postponement of, or any alternative provisions for, valuation of such Underlying Asset according to the General Terms & Conditions, including a determination of the value of such Underlying Asset by the Issuer and/or Calculation Agent in its reasonable discretion, acting in good faith and in a commercially reasonable manner, each of which may have an adverse effect on the value of the Securities. In the event that the valuation day of the Underlying Asset is postponed, the Repayment Date on which Cash Settlement or Physical Settlement is made will be postponed.

(f) *Disruption Event and Early Termination of the Securities*

If the Issuer and/or Calculation Agent determines that a Potential Adjustment Event or Disruption Event in relation to the Underlying Asset has occurred, the Issuer and/or Calculation Agent may adjust the terms & conditions of the Securities (without the consent of the Securityholders) or may procure an early termination of such Securities prior to their scheduled Maturity Date, in each case, in accordance with the applicable General Terms & Conditions.

In case of an early termination event, the Issuer will repay such Securities at a Cash Settlement amount, which will be determined on the basis of market quotations obtained from qualified financial institutions, or where insufficient market quotations are available, at an amount determined by the Issuer and/or Calculation Agent equal to the fair market value of such Securities immediately prior (and ignoring the circumstances leading to) such extraordinary early termination event. The Securityholder should be aware that it is likely that this Cash Settlement Amount may be less than the initial invested amount.

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

(g) *Emerging markets*

Underlying Assets may be subject to the jurisdiction of an emerging market. Investing in Securities with such Underlying Asset involves additional legal, political (e.g. rapid political upheavals) or economical (e.g. economic crises) risks.

Countries that fall into this category are usually considered to be “emerging” because of their developments and reforms and their economy being in the process of changing from those of a moderately developed country to an industrial country. In emerging markets, expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may have a negative impact on an investment in the Securities. The amount of publicly available information with respect

to the Underlying Asset or any components thereof may be less than that normally made available to Securityholders. Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards are in many ways less stringent than standards in industrial countries.

Although they generally record rising volumes, some emerging financial markets have much lower trading volumes than developed markets and the Securities of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in developed markets.

Where the Underlying Asset is quoted in a local currency, which is subject to particularly high currency exchange fluctuations, the price of the relevant Securities may fall considerably even though the price of the Underlying Asset has remained unchanged or even risen. This means that some or all of the performance of the Underlying Asset may be counteracted by currency losses or that the performance of the Underlying Asset even becomes negative.

(h) Use of leverage factors or participation rates over 100 per cent.

Where the Final Terms of the relevant Securities provide that the settlement value of such Securities is based upon the performance of the Underlying Asset multiplied by a leverage factor or a participation rate which is over one hundred (100) per cent, the Securityholders may participate disproportionately in any positive performance and/or may have a disproportionate exposure to any negative performance of the Underlying Asset. Due to this leverage effect, the Securities represent a very speculative and risky form of investment since any loss in the value of the Underlying Asset carries the risk of a correspondingly higher loss.

(i) Foreign Exchange Risks and Currency Hedging Costs

Where the Final Terms of the Securities provide that payment under such Securities will be made in a currency which is different from the currency of the Underlying Asset, and such Securities do not contain a currency hedging feature ("Quanto" feature), the Securityholder may be exposed not only to the performance of the Underlying Asset but also to the performance of such foreign currency, which cannot be predicted.

Securityholders should be aware that Foreign Exchange Rates are, and have been, highly volatile and determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks (e.g., imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency).

Such foreign exchange risks, however, are not incurred by purchasing Securities containing a "Quanto" feature; due to the fact that these Securities are not exposed to changes in the values of currencies, currency units or units of account vis a vis the currency of Denomination of the Securities as defined in the Final Terms. It should further be noted that the Quanto feature require that a Quanto fee be applied to cover the expenses incurred as a result of currency hedging transactions.

Depending on the actual market environment, costs for currency hedging transactions change continuously and can change from positive to even negative values which has a direct effect on the Quanto Fee charged to the relevant Securities at a given point in time.

The amount of the Quanto fee shall be determined based on the market environment at that time, considering, among others, the following five parameters: (i) interest rates in the currency of Denomination of the relevant Securities, (ii) interest rates in the currency in which the Underlying Asset is traded or quoted, (iii) the volatility of the Underlying Asset, (iv) the volatility of the currency exchange rate between the currency of Denomination of the Securities and the currency in which the Underlying Asset is traded or quoted, and (v) the correlation of the development of such currency exchange rate with the price of the Underlying Asset.

In concrete, an increasing interest rate in the currency in which the Underlying Asset is traded or quoted, a falling interest rate in the currency of Denomination, increasing volatilities and decreasing correlation may increase the currency hedging costs which leads to an increase in the Quanto Fee and, with it, a lower return of the Securities even if the other parameters material to the determination of the economic value of the Securities remain unchanged.

(j) Provision of Information

None of the Issuer, the Manager or any of their respective affiliates make any representation as to any issuer of Underlying Assets. Any of such persons may have acquired, or during the term of the Securities may acquire, non-public information with respect to an issuer of the Underlying Assets, their respective affiliates or any guarantors that is or may be material in the context of a Security issue. The issue of these Securities will not create any obligation on the part of any such persons to disclose to the Investors or any other party such information (whether or not confidential).

Risks Factors related to specific Underlying Assets

(a) General Information

Derivatives are generally structured in such a manner that not only the amount and timing of redemption but also the payment of any earnings are linked to the performance of one or more Underlying Assets.

Some or all of the amounts payable or the Underlying Asset to be physically delivered on exercise, redemption or periodically under the Securities will be determined by reference to the price or value of the Underlying Assets or, if in the Final Terms in the definition of “**Underlying Assets**” a “**Basket**” is specified to be applicable, of the Basket Components. Accordingly, investing in the Securities also involves risks that are related to the Underlying Assets and Investors should review carefully this Base Prospectus and the relevant Final Terms in order to understand the effect on the Securities of such linkage to the Underlying Assets.

The purchase of, or investment in, Securities linked to an Underlying Asset involves substantial risks. These Securities are not conventional Securities and carry various unique investment risks which Prospective Investors should understand before investing in the Securities. Prospective Investors in such Securities should be familiar with this type of Securities and should fully review all

documentation, read and understand the Base Prospectus, the Conditions of the Securities and the Final Terms and be aware of the nature and extent of the exposure to risk of loss.

(b) Risk associated with Shares as Underlying Assets

No issuer of the relevant Share(s) will have participated in the preparation of the Final Terms or in establishing the terms of the Share linked Securities

No Share Company or Companies will have participated in the preparation of the Final Terms or in establishing the terms of the Share linked Securities and none of the Issuer or any of its affiliates or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Share Company or Companies contained in such Final Terms or in the documents from which such information was extracted. Neither the Issuer nor any of its affiliates controls any Share Company or Companies and are not responsible for any disclosure made by any Share Company or Companies. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information described in this paragraph or in any Final Terms) that would affect the trading price of the relevant Share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Share Company or Companies could affect the trading price of the Share(s) and therefore the trading price of the Securities or amounts paid under the Securities.

Factors affecting the Performance of Shares may adversely affect the value of the Share linked Securities

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors are not within the Issuer's or any of its affiliates control or and may result in a decline in the value of the Securities.

Securityholders have no claim against the Share Company or Companies or recourse to the Shares

Share linked Securities do not represent a claim against or an investment in any Share Company or Companies and Investors will not have any right of recourse under the Share linked Securities to any such company or the Shares. Share linked Securities are not in any way sponsored, endorsed or promoted by any Share Company or Companies and such companies have no obligation to take into account the consequences of their actions for any Securityholders. Accordingly, the Share Company or Companies may take any actions in respect of such Share without regard to the interests of the Investors in the Share linked Securities, and any of these actions could adversely affect the market value of the Share linked Securities.

Determinations made by the Calculation Agent in respect of Security Events or Disruption Events

Upon determining that a Potential Adjustment Event or a Disruption Event has occurred in relation to an Underlying Share or Share Company, the Calculation Agent has broad discretion to make certain determinations to account for such event including to (i) make adjustments to the terms of the Securities and/or (ii) cause early redemption/settlement of the Securities, any of which determinations may have an adverse effect on the value of the Securities. In particular, in the event that the Securities are early settled/redeemed, the amount payable to Securityholders may be significantly less than the Investor's initial investment, and may be as low as zero.

Securityholders may receive Physical Settlement of Underlying Shares in lieu of Cash Settlement

Where the Underlying Share linked Securities include the right of the Issuer, subject to the Final Terms of a particular condition, to redeem the Securities at their maturity by delivering Underlying Shares to the Investor, the Investors may receive such Shares rather than a monetary amount upon maturity. In case of a Physical Settlement the Securityholders will, therefore, be exposed to the Share Company or Companies and the risks associated with such Shares. The Investor should not assume that he or she will be able to sell such Shares for a specific price after the Physical Settlement of the Securities, and in particular not for the purchase price of the Share linked Securities. Under certain circumstances the Shares may only have a very low value or may, in fact, be worthless, in which case see “Investors risk losing all of their investment in the Securities” above. Securityholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares. The holding of such Shares instead of the Securities may adversely affect the Securityholder's tax position.

In the case of registered Shares, any obligation incumbent upon the Issuer to deliver the shares is limited solely to the provision of the shares in a form and with features that allow for stock-exchange delivery and does not cover entry into the register of members and the rights under the shares (e.g. participation in the annual general meeting and exercise of voting rights) may only be exercised by shareholders that are registered in the register of members or a comparable official shareholder register of the issuer of such registered Shares. In such cases, any claims due to non-performance, in particular reversal of the transaction or damages, are excluded.

Securityholders will have no voting rights or may have no right to receive dividends or distributions in respect of the relevant Shares

Except as provided in the relevant Conditions in relation to Securities, Securityholders of Share linked Securities will not have voting rights or any other rights with respect to the relevant Shares to which such Share linked Securities relate.

Securityholders of Share linked Securities will not have rights to receive dividends or distributions. As a result, the return on the Share linked Securities may not reflect the return an Investor would realise if the Investor actually owned those relevant Shares and received the dividends paid or other distributions made in connection with them.

(c) Risk associated with Depositary Receipts (ADRs / GDRs) as Underlying Assets

Exposure to risk that redemption amounts do not reflect direct investment in the shares underlying the Depositary Receipts

American Depositary Receipts (“**ADRs**”) are instruments issued in the United States of America in the form of share certificates in a portfolio of shares held outside the USA in the country of domicile of the issuer of the underlying shares. Global Depositary Receipts (“**GDRs**”) are also instruments in the form of share certificates in a portfolio of shares held in the country of domicile of the issuer of the underlying shares. As a rule they are distinguished from share certificates referred to as ADRs in that they are normally publicly offered and/or issued outside the United States of America.

A Depositary Receipt is a Security that represents capital stock of the relevant underlying share issuer. The relevant Deposit Agreement for the Depositary Receipt sets out the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the underlying share issuer and holders of the Depositary Receipt which may be different from the rights of holders of the underlying shares.

The settlement value payable on derivatives that reference Depositary Receipts may not reflect the return a purchaser would realise if he or she actually owned the relevant shares underlying the Depositary Receipts and received the dividends paid on those shares because the price of the Depositary Receipts on any specified valuation dates may not take into consideration the value of

dividends paid on the underlying shares. Accordingly, purchasers in derivatives that reference Depositary Receipts as Underlyings may receive a lower payment upon redemption of such derivatives than such purchaser would have received if he or she had invested in the shares underlying the Depositary Receipts directly.

Exposure to the risk of non-recognition of beneficial ownership of the underlying shares represented by Depositary Receipts and therefore generally do not include dividends

The legal owner of the underlying shares represented by Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares.

Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition could be issued with respect to the underlying shares represented by Depositary Receipts or that such shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the holder of the Depositary Receipt loses the rights under the underlying shares and the GDR/ADR linked Securities would become worthless.

Distributions on the underlying shares may not be passed on to the Depositary Receipts

The issuer of the underlying shares represented by Depositary Receipts may make distributions in respect of such shares that are not passed on to the purchasers of its Depositary Receipts which may materially and adversely affect the value of the GDR/ADR linked Securities.

Adjustment to the Terms & Conditions or replacement of the Underlying Asset following certain corporate events in relation to the underlying shares represented by Depositary Receipts may materially and adversely affect the value of the Securities

Following certain corporate events specified in the Terms & Conditions of the relevant GDR/ADR linked Securities relating to the underlying shares represented by Depositary Receipts or the relevant issuer of such underlying shares, such as a merger where the relevant company is not the surviving entity, the amount Securityholders of GDR/ADR linked Securities will receive, if any, at maturity of such Securities may be adjusted by the Calculation Agent or the affected underlying shares and Depositary Receipts may be replaced by another Underlying Asset. The occurrence of such corporate events and the consequential adjustments may materially and adversely affect the value of the GDR/ADR linked Securities.

Physical settlement of Underlying Assets in lieu of Cash Settlement

Where the Securities linked to GDR/ADR Underlying include the right of the Issuer, subject to the Final Terms of a particular condition, to redeem the Securities at their Repayment Date by delivering an asset to the Securityholder, the purchasers will receive such assets rather than a monetary amount upon the Repayment Date. The Securityholder will, therefore, be exposed to the issuer of such deliverable assets and the risks associated with such assets to be delivered. The Securityholder should not assume that he or she will be able to sell such delivered assets for a specific price after the redemption of the Securities, and in particular not for a price corresponding to the amount of capital used to purchase the Securities. Under certain circumstances the delivered assets may only have a very low value or may, in fact, be worthless. The Securityholder may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such delivered assets.

(d) Risk associated with Index or Indices as Underlying Assets

Factors affecting the performance of Indices may adversely affect the value of the Securities

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such Index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index linked Securities.

Returns on the Securities do not reflect a direct investment in underlying shares or other assets comprising the Index

The return payable on Securities that reference Indices may not reflect the return a Prospective Investor would realise if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. For example, if the components of the Indices are shares, Securityholders will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Securityholders will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Index. Accordingly, Securityholders that reference Indices as Underlying Assets may receive a lower payment upon redemption/settlement of such Securities than any return such Securityholder would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

Risks in relation to the comparison of the performance of a price index and a performance or total return index

If the index is calculated as a so-called price index, dividends or other distributions, if any, that are paid out from the index components are not taken into account when calculating the level of the index and may have a negative impact on the price of the index, because the index components will be traded at a discount after the pay-out of dividends or distributions. Thus, Securityholder do generally not participate in any dividends or other distributions paid out or made on components contained in the index.

If, for the calculation or specification of amounts payable under the Securities, the performance of a price index is compared with the performance of a total return index, the calculation of the price index does – in contrast to a total return index – not take into account dividends or other distributions, if any, that are paid out from the index components. As a result, the performance of a total return index will - compared to the performance of a price index – always look more positive than the performance of the price index.

A change in the composition or discontinuance of an Index could adversely affect the market value of the Securities

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to the Securityholders of the Index linked Securities. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index linked Securities and will have no obligation to any Securityholder. Accordingly, the sponsor of an Index may take any

actions in respect of such Index without regard to the interests of the Securityholder, and any of these actions could adversely affect the market value of the Index linked Securities.

Adverse effect of fees on the Index could adversely affect the market value of the Securities

An Index may, in accordance with its index rules, include fees (e.g. calculation fees or fees related to changes in the composition of the Index), which are taken into account when calculating the level of the Index. As a result, any of these index fees reduce the level of the Index and have an adverse effect on the Index and on any amounts to be paid under the Securities.

The substitution of an Index with a Successor Index could adversely affect the market value of the Securities

In case of an Index substitution, the Issuer may, at its sole discretion and upon notification to the Securityholders pursuant Condition 19 “Notices” of the General Terms & Conditions, substitute the current Index for a Successor Index, and not redeem the Securities early pursuant to Condition 22 “Security Events” of the General Terms & Conditions. With respect to a relevant Index, a “Successor Index” includes an index that uses, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index. Such a substitution could adversely affect the market value and the performance of the Index linked Securities.

Exposure to Index Modification, Index Cancellation, Index Disruption and correction of Index levels

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Underlying Asset with another and/or to cause early redemption/settlement of the Securities, any of which may be adverse to Securityholders in connection with Index Modification, Index Cancellation and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Securities, or to replace such Index with another or to cause early redemption/settlement of the Securities. The Calculation Agent may also amend the relevant Index level due to corrections in the level reported by the Index Sponsor. The consequences of such amendments could adversely affect the market value of the Index linked Securities.

Securities are not sold or promoted by an Index or the sponsor of such Index

Securities linked to an Index are not sponsored, endorsed, sold, or promoted by such Index or the sponsor of such Index. The sponsor of an Index makes no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of such Index or the levels at which such Index stands at any particular time on any particular date. Neither an Index nor sponsor of such Index shall be liable (whether in negligence or otherwise) to any person for any error in such Index. A sponsor of an Index is under no obligation to advise any person of any error in such Index. A sponsor of an Index does not make any representation whatsoever, whether express or implied, as to the advisability of investing or assuming any risk in connection with the Securities linked to such Index.

The Issuer or any of its affiliates are not liable for the actions or omissions of the sponsor of an Index, any information concerning an Index, the performance of such Index or use thereof in connection with the Securities

None of the Issuer or any of its affiliates is liable to the Securityholders for any act or failure to act by a sponsor of an Index in connection with the calculation, adjustment, or maintenance of such Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is

accepted by the Issuer or any of its affiliates or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning such Index. In addition, none of the Issuer or any of its affiliates or the Calculation Agent makes any representation whatsoever, whether express or implied, as to the performance of any Index which is linked to the Securities, any data included in, or omitted from, such Index, or the use of such Index in connection with the Index linked Securities.

Furthermore, some index sponsors publish the composition of the relevant indices not completely or only after a time lag on a website or in other media specified in the Final Terms. In this case the composition shown might not always be the current composition of the respective index used for calculating the Securities. The delay may be substantial, may under certain circumstances last several months and the calculation of the Securities may be negatively affected.

(e) *Risk associated with Exchange Traded Funds as Underlying Assets*

Concept of an Exchange Traded Fund

An exchange traded fund (the “**Exchange Traded Fund**” or “**ETF**” or the “**Fund**”) is a fund managed by a domestic or non-domestic management company or, as the case may be, a fund in corporate form, whose fund shares (“**Fund Shares**”) are listed on a Securities exchange. No assurance is given that such admission or listing will be maintained during the whole life of the Securities. In addition, a listing does not imply that the Fund Shares are liquid at any time and, hence, may be sold via the Securities exchange at any time, since trading in the Securities exchange may be suspended in accordance with the relevant trading rules.

Pricing and use of Estimates may adversely affect the value of the Securities

The price of the ETF mainly depends on the price per unit of the ETF and, consequently, on the aggregate value of assets held by the ETF less any liabilities, so-called net asset value (“**NAV**”). Any negative performance or losses of the Securities or other investments made by the Fund for the purposes of replicating the performance of a benchmark (cf. next paragraph) will result in a loss of the Fund and a decline in the value of the Fund Shares. Even a broad spread of its investments and a strong diversification of the Fund's investments cannot exclude the risk that any negative development on certain markets or exchanges will lead to a decline in the price per unit of the ETF. As ETFs generally calculate their NAV on a daily basis only, the price of the ETF as continuously published by the Securities exchange is usually based on the estimated net asset values. These estimates may differ from the final net asset value as subsequently published by the Funds. Therefore, the general risks during trading hours exist that the performance of the ETF and of its actual NAV may deviate.

Replication of the performance of a benchmark (tracking error) may adversely affect the value of the Securities

ETFs are designed to replicate as closely as possible the performance of an index, basket or specific single assets (each a “**Benchmark**”). However, the ETF conditions can allow a Benchmark to be substituted. Therefore, an ETF might not always replicate the original Benchmark.

For the purpose of tracking a Benchmark, ETFs can use full replication and invest directly in all components comprised in the Benchmark, synthetic replication using for example a swap, or other tracking techniques such as sampling. The value of the ETFs is mainly based on the performance of the holdings used to replicate the Benchmark. It cannot be excluded that the performance of the ETF differs from the performance of the Benchmark (tracking error).

Unlike other collective investment schemes, ETFs are usually not actively managed by the management company of the ETF. In fact, investment decisions are determined by the relevant Benchmark and its components. In case that the underlying Benchmark shows a negative

performance, ETFs are subject to an unlimited performance risk in particular when they are using full replication or synthetic replication techniques. This can have a negative impact on the performance of the Securities.

Concentration risks may adversely affect the value of the Securities

An ETF may concentrate its assets with a focus on certain countries, regions or industry sectors while replicating the Benchmark. This can result in the ETFs being subject to a higher volatility compared to funds with a broader diversification as regards countries, regions or industry sectors. The value of investments in certain sectors, countries or regions may be subject to strong volatility within short periods of time. This also applies to ETFs focusing their investments on certain asset classes such as commodities. ETFs investing their assets in less regulated, small and exotic markets are subject to certain further risks. Such risks may include the risk of government interventions resulting in a total or partial loss of assets or of the ability to acquire or sell them at the fund's discretion. Such markets may not be regulated in a manner typically expected from developed markets. If an ETF concentrates its assets in emerging markets, this may involve a higher degree of risk as exchanges and markets in these emerging market countries or certain Asian countries such as Indonesia may be subject to stronger volatility than exchanges and markets in more developed countries. Political changes, foreign currency exchange restrictions, foreign exchange controls, taxes, restrictions on foreign investments and repatriation of invested capital can have a negative impact on the investment result and therefore the value of the Fund Shares in the ETF.

Conflicts of interest may adversely affect the value of the Securities

In the operation of the ETF certain conflicts of interest may arise that can have negative impact on the ETF's performance. For persons involved in the fund management or advisory activities in relation to the ETF, conflicts of interest can arise from the reception of inducements. In addition, persons involved in the fund management or advisory activities to the ETF or their employees may provide services such as management, trading or advisory services for third parties at the same time. Although they will usually aim to distribute the investment opportunities equally to their clients, the fund portfolio and portfolios of other clients may differ even if their investment objectives are similar. Any of these persons might be induced to allocate assets first to a portfolio involving the highest fees. Persons providing management, trading or advisory services to the ETF may make recommendations or enter into transactions which are different to those of the ETF or may even compete with the ETF.

Physical settlement of Underlying Assets in lieu of Cash Settlement may adversely affect the value of the Securities

Where the Securities include the right of the Issuer, subject to the Final Terms of a particular condition, to redeem the Securities on their Repayment Date by delivering shares in the Fund to the Securityholder, the Securityholder will receive such Shares in the Fund rather than a monetary amount upon their Repayment Date. The Securityholder will, therefore, be exposed to the issuer of such Shares in the Fund and the risks associated with such Shares in the Fund. The Securityholder should not assume that he or she will be able to sell such Shares in the Fund for a specific price after the redemption of the Securities, and in particular not for a price corresponding to the amount of capital used to purchase the Securities.

Under certain circumstances the Shares in the Fund may only have a very low value or may, in fact, be worthless. The Securityholder may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares in the Fund.

Fees on different levels may adversely affect the value of the Securities

Fees charged to the assets of the ETF may have a significant negative impact on the value of the Fund Shares and the net asset value of the ETF. Fees charged in relation to an ETF can be incurred on different levels. Usually, management fees are incurred at fund level. In addition, expenses and cost may be incurred when the services of third parties are commissioned in connection with the fund administration. With respect to investments made by the ETF, such as investments in other funds or other collective investment vehicles, further charges might be incurred. This may have a negative impact on these investments and, consequently, in the ETF's performance.

Performance fees may be agreed upon on the level of the ETF. Such fee arrangements can create an inducement to invest assets in a more risk oriented or speculative manner than would be the case if no performance fee arrangement existed. Performance fees may even be incurred where the ETF underperforms the Benchmark. Even if the ETF outperforms its Benchmark, performance fees might be triggered even though the overall fund performance is negative (for example where the Benchmark's performance is negative). Consequently, performance fees can be incurred on the level of the ETF even if an investment in the Securities results in a loss to the Securityholder.

Limited Supervision and action by management company of an ETF may adversely affect the value of the Securities

Funds may not be regulated or may invest in investment vehicles that are not subject to supervision. If unregulated funds become subject to supervision, this may negatively impact the value of the Fund, and, consequently, of the Securities.

The management company of an ETF will have no involvement in the offer and sale of the Securities and will have no obligation to any Investor of such Securities. The management company of an ETF may take any actions in respect of such ETF without regard to the interests of the Investors of the Securities, and any of these actions could adversely affect the market value of the Securities.

(f) Risk associated with Futures or Forward Contracts as Underlying Assets

Factors affecting the performance of the Futures or Forward Contracts the value of the Securities

Underlying Contracts such as Futures or Forward Contracts are forward transactions relating to financial instruments (*e.g.* shares, indices, interest rates or foreign currencies) – known as financial Futures or Forward Contracts – or to commodities (*e.g.* precious metals, wheat or sugar) – known as commodity Futures or Forward Contracts.

A Futures or Forward Contract represents a contractual obligation to buy or sell a predefined fixed amount of the underlying on a fixed date at an agreed price.

“**Futures Contracts**” are listed contracts, which are traded on futures exchanges and are standardised in terms of contract size, type, and quality of the underlying as well as places and dates of delivery where applicable.

“**Forward Contracts**” are over-the-counter contracts, which are negotiated between two parties and that are not traded on an exchange or on another organised market, the price of which is derived from underlying assets, such as securities, precious metals, commodities, currency, exchange rates, interest rates, bonds, money market instruments or indices.

As the Securities are linked to the market price of the Futures or Forward Contracts specified in the Final Terms, it is recommended that Securityholders understand how Futures or Forward Contract transactions work and are valued in addition to knowing about the market of the relevant Futures or Forward Contracts, since only then can the Prospective Investor properly assess the risks inherent in the Securities.

Future or Forwards Contracts may be traded on unregulated or “under regulated” exchanges

Futures or Forward Contracts may be traded on regulated specialised futures exchanges or directly between market participants “over-the-counter” or on trading venues that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Trading in “over-the-counter” Forward Contracts may not be subject to the same provisions of, and the protections afforded to, Future Contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant Future Contracts.

Securities linked to Futures or Forward Contracts on a particular Underlying Asset may provide a different return than if they were linked directly to such Underlying Asset

There is generally a close correlation between the price movement of an Underlying Asset for the relevant Futures or Forwards Contracts on a spot market and on the corresponding futures market. However, Futures or Forward Contracts are generally traded at a premium or discount compared with the spot price of the Underlying Asset of the Futures or Forward Contract. This difference between the spot and futures prices, called the “**basis**” in futures exchange terminology, on the one hand is the result of taking into account the costs customarily arising in connection with spot transactions (warehousing, delivery, insurance, etc.) and/or the income customarily arising in connection with spot transactions (interest, dividends, etc.), and on the other hand the different methods used to evaluate general market factors affecting the spot and the futures market. Furthermore, depending on the relevant Underlying Asset, there can be significant differences in the liquidity of the spot and respective futures market.

Future Contracts have a fixed expiry and may need to be replaced upon expiry by another Futures Contract

Since Futures Contracts as Underlying Asset of the Securities have a fixed expiration date, the Underlying Asset may be replaced by the Issuer at a point in time determined in the Final Terms with a Futures Contract, which, except for an expiration date that is more distant in the future, has the same contract specifications as the originally Underlying Futures Contract (“**Rollover**”).

The Issuer will close out its positions through respective hedging transactions regarding the previous Futures Contracts, the expiration date of which is imminent, on the Rollover Date as specified in the Final Terms and build up corresponding positions in respect to a Futures Contract with identical features but a longer term.

Where the price of a near-dated commodity contract is greater than the price of the longer-dated commodity contract (the relevant Commodity is said to be in “**backwardation**”), then “rolling” from the former to the latter will result in exposure to a greater number of commodity contracts. Therefore, any loss or gain on the new positions for a given movement in the prices of the commodity contracts will be greater than if the Commodity Underlying Asset had synthetically held the same number of commodity contracts as before the “roll”.

Conversely, where the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract (the relevant Commodity is said to be in “**contango**”), then “rolling” will result in an exposure to a smaller number of the commodity contracts. Therefore, any gain or loss on the new positions for a given movement in the prices of the commodity contracts will be less than if the Commodity Underlying Asset had synthetically held the same number of commodity contracts as before the “roll”.

If a Commodity is in contango, then the price of the longer-dated commodity contract will generally be expected to (but may not) decrease over time as it nears expiry. In such event, the level of the Commodity Underlying Asset can generally be expected to be negatively affected. If a Commodity is in backwardation, then the price of the longer-dated commodity contract will generally be expected to (but may not) increase over time as it nears expiry. In such event, the level of the Commodity Underlying Asset can generally be expected to be positively affected.

After completion of the Rollover, the Strike and, if applicable, the Barrier or other relevant thresholds are adjusted based on the Rollover price for the successor value pursuant to the scheme described in the Final Terms.

(g) Risk associated with Commodities and Precious Metals as Underlying Assets

Factors affecting the performance of the Commodity or Commodities may adversely affect the value of the Securities

Commodities may be more volatile than other asset classes. Trading in Commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, warehousing, transportation and insurance costs, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and exchange rates and changes and suspensions or disruptions of market trading activities in commodities and related contracts. Commodity prices may be more volatile than other asset classes, making investments in commodities riskier than other investments.

A Commodity is either (i) a “**physical**” commodity, which needs to be stored and transported, and which is generally traded at a “**spot**” price, or (ii) a commodity contract, which is an agreement to either (a) buy or sell a set amount of an underlying physical commodity at a predetermined price and during a specified delivery period (which may be referred to as a delivery month), or (b) make and receive a cash payment based on changes in the price of the underlying physical commodity.

Dependence on the value of the commodities may adversely affect the value of the Securities

The following factors (non-exhaustive list) may influence commodity and precious metal prices: supply and demand; speculations in the financial markets; production bottlenecks; delivery difficulties; few market participants; production in emerging markets (political disturbances, economic crises); political risks (war, terrorist actions); unfavourable weather conditions; natural disasters.

In cases of precious metals or commodities used as the Underlying Asset, it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. This may lead to a determination of different values of the relevant Underlying in different places. Prospective Investors of the Securities should, therefore, be aware that a relevant limit, barrier or, as the case may be, threshold, if applicable, described in the Final Terms, may be reached, exceeded or fallen short at any time and even outside of local or the business hours of the Issuer, the Calculation Agent or the Managers.

A Commodity may reference commodities contracts that are traded on unregulated or “under regulated” exchanges

Commodity contracts may be traded on regulated specialised futures exchanges (such as Futures Contracts). Commodity contracts may also be traded directly between market participants “over-the-counter” on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such “over-the-counter” Forward Contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts. Further details referring to the Commodity Contracts (Futures) are described in the previous paragraph (f) “Risk associated with Futures or Forward Contracts as Underlying Assets”.

Cartels and regulatory changes, limited liquidity and political risks may adversely affect the value of the Securities

A number of companies or countries producing commodities and precious metals have formed organisations or cartels to control the offer and thus influence prices. On the other hand, the commodities and precious metals trade is subject to regulatory supervision or market rules, the application of which may have negative impacts on the pricing of the precious metals concerned. Many commodities and precious metals markets are not particularly liquid and may not be able to react swiftly and in a sufficient manner to changes to the offer or demand side. In case of a low liquidity, speculative investments of individual market participants may result in distorted prices. Precious metals are often extracted in emerging markets and acquired by industrialised nations. The political and economic situation of emerging markets, however, is less stable than in the industrialised nations. They are more likely to face risks of political change or cyclical downturns. Political crises may unsettle the confidence of Securityholders which, in turn, may affect the prices of the goods. Acts of war or conflicts may change the offer and demand sides of precious metals. It is possible that industrialised nations lay an embargo on the import or export of precious metals and services which may directly or indirectly affect the price of a precious metal used as the Underlying or, as the case may be, a Basket Component.

Securities linked to Commodity Indices, including potential effects of “rolling” may adversely affect the value of the Securities

Commodity Indices are Indices that track the performance of a basket of commodity contracts on certain Commodities. The weighting of the respective Commodities included in a Commodity Index will depend on the Index, and is generally described in the relevant index rules of the Index. Commodity contracts have a predetermined expiration date – i.e. a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in the delivery of the underlying physical Commodity or a Cash Settlement. Alternatively, “rolling” the commodity contracts means that the commodity contracts that are nearing expiration (the “near-dated commodity contracts”) are sold before they expire and commodity contracts that have an expiration date further in the future (the “longer-dated commodity contracts”) are purchased. Commodity Indices “roll” the component commodity contracts in order to maintain an ongoing exposure to the relevant Commodities. Specifically, as a commodity contract is required to be rolled pursuant to the relevant index rules, the relevant Commodity Index is calculated as if exposure to the commodity contract was liquidated and exposure was taken to another (generally longer-dated) commodity contract for an equivalent exposure. “Rolling” can affect the level of a Commodity Index in a number of ways, including: (i) the sensitivity of the overall level of a Commodity Index to a particular commodity contract may be increased or decreased through “rolling” and (ii) whether a Commodity is in “contango” or “backwardation” can be expected to affect the Commodity Index level over time. Further details referring to “contango” or “backwardation” Future Contracts are described in paragraph „(f) Risk associated with Futures Contracts as Underlying Assets” above.

(h) Risk associated with Foreign Exchange Rates as Underlying Assets

Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities

The performance of foreign exchange rates, currency units or units of accounts are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include,

without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Specified Currency that would affect exchange rates as well as the availability of a Specified Currency.

In cases of foreign exchange rates it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. Prospective Investors of the Securities should, therefore, be aware that a relevant limit or, as the case may be, threshold, if applicable, described in the Final Terms, may be reached, exceeded or fallen short at any time and even outside of local or the business hours of the Issuer, the Calculation Agent or the Manager.

Currencies of emerging markets jurisdictions pose particular risks

Securities which expose the Investor to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies.

(i) Risk associated with inflation Indices and other inflation measurements as Underlying Assets

Where the Securities reference one or more inflation indices, consumer price indices or other formulae linked to a measure of inflation, the Securityholders of such Securities are exposed to the performance of such inflation indices or other measurement formulae, which may be subject to significant fluctuations that may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by Investors of the Securities in such jurisdiction. Payments to be made under the Securities may be based on a calculation made by reference to an inflation index for a month which is several months prior to the date of payment on the Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Securities.

(j) Risk associated with Interest Rates and Reference Rates as Underlying Assets

Factors affecting the performance of the relevant interest rate or reference rate may adversely affect the value of the Securities

Interest rates and reference rates used as Underlying Assets are determined by offer and demand on the international money and capital markets, which in turn are influenced by macroeconomic factors, speculation and interventions by central banks and governments as well as other political factors. The interest rate level on the money and capital markets is often highly volatile. Securityholders are subject to the risk of changing interest rates, because an investment in the Securities linked to an interest rate may bear similar market risks to a direct investment in an interest rate.

A methodological change or discontinuance of the determination of the interest rates or reference rates may adversely affect the value of the Securities

In principle, the Issuer and the Calculation Agent have no influence on the determination of the Interest Rate(s) or Reference Rate(s). Interest Rates and Reference Rates are generally calculated by an independent organization or a governmental authority, often based on information provided by market participants. The entity publishing an Interest Rate or Reference Rate (i.e., the Rate Source) can modify the calculation method for determining such Interest Rate or Reference Rate or make other methodological changes that could affect the value of the Interest Rate or Reference Rate. The Rate Source may also alter, discontinue or suspend the calculation or dissemination of such Interest Rate or Reference Rate.

The Rate Source is not involved in the offer and sale of the Securities and has no obligation to invest therein. The Rate Source may take any actions in respect of such Interest Rate or Reference Rate without regard to the interests of the Securityholders, and any of these actions could adversely affect the market value of such Securities.

(k) Risk associated with Fund Shares as Underlying Assets

No Fund will have participated in the preparation of the Final Terms or in establishing the terms of the Fund linked Securities

No Fund (or „collective investment scheme”) will have participated in the preparation of the Final Terms or in establishing the terms of the Fund linked Securities and none of the Issuer or any of its affiliates or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such Fund contained in the Final Terms or in the documents from which such information was extracted. Neither the Issuer nor any of its affiliates controls any Fund or is responsible for any disclosure made by any Fund. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information or in any Final Terms) that would affect the net asset value of a unit (or fund interest) in the relevant Fund(s) or, the share price of the Fund Shares of the Reference Exchange Traded Fund(s) (“ETFs”), will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such Fund could affect the net asset value of a unit (or fund interest) in such Fund or, the share price of the Fund Shares of such ETFs, and therefore the trading price of the Securities or amounts paid under the Securities.

A Fund may be subject to Fund events which may adversely impact the value of Fund linked Securities

If certain events specified as Fund events occur, the Calculation Agent may replace the Fund by other Funds and thereafter the amount payable in respect of the Fund linked Securities will depend on and be calculated by reference to the performance of an alternate asset. This may have a considerable impact on the value of the Fund linked Securities and the amount payable in respect of the Fund linked Securities. Alternatively, any determination dates and payment dates may be changed by the Calculation Agent, or the amount paid per Fund linked Security may be based on the only cash amounts that an Investor in the Fund actually received, which might be as low as zero.

Risk from composition and changes to a Fund

The management company of a Fund can, without regard to the interests of the Securityholders in the Fund linked Securities, add, delete or substitute any Funds by reference to which the value of a Fund is calculated or make other methodological changes that could change the investment profile of a Fund. The management company may also determine to discontinue a Fund. If a Fund is discontinued, it may be replaced by other assets and/or the Fund linked Securities may be redeemed or exercised early.

In the event that a Fund is materially modified or permanently cancelled or the management company fails to calculate or announce the net asset value of a Fund, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms & conditions of the Fund linked Securities as the Calculation Agent determines appropriate to account for the effect on the Fund linked Securities of such events, or may redeem or exercise the Fund linked Securities early. Any of these decisions or determinations may adversely impact the value of the Fund linked Securities. In the event that the Fund linked Securities are early settled/redeemed, that amount payable to an Investor may be less than the Investor's initial investment, and may be as low as zero.

Risk from composition and changes to a Fund

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that Investors of the Fund linked Securities are not entitled to acquire interests in the Funds directly. Securityholders of units or shares in a Fund may have the right to transfer or withdraw their investment in the Funds only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the net asset value of the Funds in question. Prospective Investors should familiarise themselves with the features of the Funds in this regard.

Risk from composition and changes to a Fund

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund linked Securities:

- (i) ***Valuation:*** The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance the terms & 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 net asset values may be difficult to obtain. In consequence, the management company may alter the valuation of 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 adjustment upward or downward. Uncertainties as to the valuation of 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.
- (ii) ***Trading charges:*** The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.
- (iii) ***Legal and regulatory changes:*** Future changes to applicable law or regulation may be adverse to a Fund.
- (iv) ***Investment risk:*** All investments risk the loss of capital and/or the diminution of investment returns. A Fund may utilise (inter alia) 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.
- (v) ***Illiquidity:*** A Fund 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.
- (vi) ***Performance risk:*** No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of its management company. Certain management companies may utilise analytical models upon which

investment decisions are based. 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 the Funds have invested or will invest will prove accurate.

- (vii) **Effect of exchange rates and exchange controls.** The net asset value of a Fund could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.
- (viii) **Market risks.** The markets in which a Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a Fund may liquidate positions to meet repurchase requests or other funding requirements.
- (ix) **Hedging risks.** A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A Fund may take substantial unhedged positions.
- (x) **Interest rate risks.** The values of securities held by a Fund (or by any underlying Fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding net asset values of a Fund's positions to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.
- (xi) **Absence of regulation.** A Fund will generally not be regulated under the laws of any country or jurisdiction. As a result, certain protections of such laws (which, among other things, may require investment companies to have disinterested directors, require securities to be held in custody and segregated, regulate the relationship between the investment company and its adviser and mandate Investor approval before fundamental investment policies may be changed) do not apply to a Fund. This absence of regulation may adversely affect the performance of a Fund.
- (xii) **Suspension of trading.** A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.
- (xiii) **Dependence on key individuals.** The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a Fund manager to direct a fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant Fund manager could not continue to operate.
- (xiv) **Experience of Fund managers.** Certain Funds may be managed by investment managers who have managed hedge funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions

or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds or hedge funds, including experience with financial, legal or regulatory considerations unique to Fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced Fund managers.

- (xv) **Risk of fraud:** There is a risk that a Fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.
- (xvi) **Performance compensation payable to Fund managers:** The performance-based compensation paid to a Fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable Underlying Asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the Fund manager of any replacement Underlying Asset. Thus, there may be substantial incentive compensation due to the relevant Fund manager even during a period when the portfolio of assets is incurring significant losses.
- (xvii) **Concentration risk:** As many hedge funds have the authority to concentrate their investments in securities of a single issuer or industry, the overall adverse impact on one or more components of the Fund, and correspondingly on the value of the Fund, of adverse movements in the value of such securities could be considerably greater than if the Fund were not permitted to concentrate their investments. Moreover, a number of hedge funds included as components in a Fund might accumulate substantial positions in the same or related instruments at the same time. As information regarding the actual investments made by such funds is not generally available, the management company will be unable to identify any such accumulations, which could expose the relevant Fund to the risk of sudden and severe declines.
- (xviii) **Risks of leverage:** A Fund may borrow without limitation and typically utilise various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a Fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a Fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a Fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks

and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.

- (xix) ***Non-deductible taxes.*** As Funds may be resident in so-called off-shore jurisdictions, which have not entered into any double taxation conventions with other countries, any income of such Fund may be subject to taxation in the countries of origin. As such withholding taxes are non-deductible due to the fact that such Funds are not subject to income taxation in their countries of residence, the Fund's net income may be reduced which may have a negative impact on the performance of such Fund.
- (xx) ***Investment criteria.*** It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may sometimes not be clear whether or not a Fund fulfils the investment criteria set out in its offering document.
- (xxi) ***Risks of equity investments.*** The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.
- (xxii) ***Risks of fixed income investments.*** A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.
- (xxiii) ***Risks of collective investment schemes.*** Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the Investor less transparency in respect of the ultimate assets of the scheme.
- (xxiv) ***Large transactions.*** Large subscriptions and redemptions may result in the liquidation or dilution of fund assets that may affect the net asset value of such Fund.
- (xxv) ***Emerging markets.*** A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. See "Risks relating to Securities which are linked to emerging market Underlying Asset(s)" above. Custody arrangements in such countries may also present enhanced risk.
- (xxvi) ***Risks of repos.*** A Fund may use repurchase agreements. Under a repurchase agreement, a Security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required.

- (xxvii) **Risks of currency speculation:** A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.
- (xxviii) **Risks of commodity futures:** Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.
- (xxix) **Risks of derivative instruments:** A Fund may use derivative instruments, such as collateralised debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.
- (xxx) **Risks of short selling:** A Fund may sell securities short. Short selling exposes a Fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.
- (xxxi) **Risks of arbitrage:** The use of arbitrage strategies by a Fund are not without risk. Substantial losses may be incurred on “hedge” or “arbitrage” positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of “pure” arbitrage Funds. Most Funds also employ limited directional strategies which expose them to market risk.

(xxxii) **Credit risk.** Many of the markets in which a Fund effects its transactions are “over-the-counter” or “inter-dealer” markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms & conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such “counterparty risk” is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.

(xxxiii) **Risks relating to controlling stakes.** A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.

(xxxiv) **Price volatility.** The market price of Fund linked Securities may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of Fund share(s) or unit(s). The price of Fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the Fund or Funds may be traded.

As the shares of certain Funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment

The shares of a Fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such Fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the Fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant Fund would fail to pay to any shareholder in cash the full redemption proceeds owed to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the securities to the net asset value per share of the relevant Fund, thereby reducing the return on the securities.

(I) Risk associated with Bonds as Underlying Assets

Factors affecting the performance of the relevant Bond may adversely affect the value of the Securities

Bonds constitute debt obligations of the Bond’s issuer. Securities linked to Bonds are therefore linked to the default risk of the Bond Issuer. In addition, the performance of the Bonds is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency

developments, political factors and Bond Issuer-specific factors, such as earnings position, market position, risk situation, shareholder structure and distribution policy.

No claim against the Bond Issuer or recourse to the Bond

Securities linked to Bonds do not represent a claim against the relevant Bond Issuer and Securityholders in such Securities will not have any right of recourse under such Securities to the relevant Bond Issuer. Securities linked to Bonds are not in any way sponsored, endorsed, or promoted by the relevant Bond Issuer and the relevant Bond Issuer has no obligation to take into account the consequences of its actions on any Securityholder. Accordingly, the relevant Bond Issuer may take any actions in respect of the Bond without regard to the interests of the Securityholders, and any of these actions could adversely affect the market value of such Securities. The relevant Bond Issuer will have no involvement in the offer and sale of Securities linked to Bonds and will have no obligation to any Investor in such Securities. An investment in Securities linked to a Bond does not result in any right to receive information from the relevant Bond Issuer in respect of the Bond or distributions on the Bond.

Exposure to the risk that the return on the Securities does not reflect the return on a direct investment in the Bond

The return on Securities linked to Bond may not correspond to the return of the relevant Bond. For example, Securityholder in Securities linked to a Bond will not receive any interest payments on such Bond during the term of such Securities. Accordingly, an Investor in any such Securities may receive a lower payment (if any) upon redemption of such Securities than such Investor would have received if he or she had invested in the Bond directly.

Complex Products linked to a Futures Contract on a particular Bond may provide a different return than if they were linked to the Bond directly

Securities linked to a Bond may be linked to a Futures Contract on such Bond rather than to the Bond itself. The price of a Futures Contract on a Bond will generally be at a premium or at a discount to the cash price of the relevant Bond. This discrepancy is due to such factors as different methods being used to evaluate general factors affecting the cash and the futures markets. In addition, and depending on the relevant Bond, there can be significant differences in the liquidity of the cash and the futures markets. Accordingly, Securities linked to a Futures Contract of a particular Bond may provide a different return than if they were linked to such Bond itself.

(m) Risk associated with baskets comprised of various constituents as Underlying Assets

Exposure to performance of basket and its constituents

Where the Securities are linked to or reference a basket of assets, the Investors in such Securities are exposed to the performance of such basket. The Investors will bear the risk of the performance of each of the basket constituents. See, if applicable, the corresponding risk factors set out in the above paragraphs of this Section “Risk Factors related to specific Underlying Assets”, or otherwise specified in the Final Terms.

A high correlation of basket constituents may have a significant effect on amounts payable

Some Securities are linked to baskets of Underlying Assets where the performance of such Underlying Assets tends to move in the same direction, or correlate, as a result of changes in market conditions, such as a change in interest rates. 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, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Securities.

The negative performance of a single Basket Component may outweigh a positive performance of one or more other basket constituents

Investors in Securities must be aware that even in the case of a positive performance of one or more 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, subject to the terms & conditions of the relevant Securities.

A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular Underlying Asset

The performance of a basket that includes a smaller number of Underlying Assets will generally, subject to the terms & conditions of the relevant Securities, be more affected by changes in the value of any particular Underlying Asset included therein than a basket that includes a greater number of Underlying Assets.

The performance of a basket that gives greater weight to some Underlying Assets will generally, subject to the terms & conditions of the relevant Securities, be more affected by changes in the value of any such particular Underlying Asset included therein than a basket that gives relatively equal weight to each Underlying Asset.

A change in composition of a basket may have an adverse effect on basket performance

Where the Securities grant the Calculation Agent or a Strategy Advisor the right, in certain circumstances, to adjust the composition of the basket, Investors should be aware that any replacement Basket Component may perform differently from the original basket constituents, which may have an adverse effect on the performance of the basket which will in turn have an adverse effect on the value of the Securities.

Risks Factors related to the Reference Obligation

(a) Linkage to the Creditworthiness of Reference Entities

Securities linked to the creditworthiness of one or more Reference Entities (the “Reference Entity” or “Reference Entities”) also named Securities linked to the Reference Entity differ from ordinary debt instruments in that the amount of the Outstanding Principal Amount and interest, if any, payable by the Issuer depends on whether a “Credit Event” with respect to the Reference Entity has occurred within the Reference Period. Possible Credit Events include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium and Restructuring, as specified in the Final Terms. As it is not possible to predict whether a Credit Event may occur in respect of a Reference Entity, the return of the Securities is not predictable.

The likelihood of the occurrence of a Credit Event with respect to the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates

and such fluctuations may decrease the value of the Securities linked to the Reference Entity even in the absence of a Credit Event. Prospective Investors should perform a thorough review of and conduct their own investigation and analysis with respect to the creditworthiness of, and the likelihood of the occurrence of a Credit Event with respect to the Reference Entity. Actions of a Reference Entity (e.g. a merger or demerger or the repayment or transfer of indebtedness) may also adversely affect the value of these Securities.

If a Credit Event occurs with respect to the Reference Entity within the Reference Period, the relevant Securities will, unless otherwise specified in the Final Terms, (a) cease to bear interest from the Scheduled Interest Payment Date immediately preceding the date the relevant Credit Event occurred or, as the case may be, the Issue Date and (b) be redeemed at the Redemption Amount or Partial Redemption Amount, as applicable, on the Redemption Date, each as specified in the Final Terms. This Redemption Amount or Partial Redemption Amount will generally be considerably lower than the specified Denomination of the Securities and may in certain circumstances be zero.

In the worst case scenario, (a) a Credit Event occurs prior to the first Scheduled Interest Payment Date with respect to the Reference Entity, with the result that no interest payments on the Securities will be made, and (b) the Redemption Amount is determined to be zero. In such case, the Securityholder would suffer a total loss of its initial investment.

(b) *Credit Events may occur prior to the Issue Date or Trade Date*

The Reference Period during which a Credit Event has to occur in order to affect the Securities negatively as described above commences prior to the Issue Date, on the Credit Observation Start Date. The Credit Observation Start Date may be the Credit Event Backstop Date or the Trade Date, as specified in the Final Terms. Neither the Calculation Agent nor the Issuer nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that has occurred prior to the Credit Observation Start Date.

(c) *There may be increased risks associated with Nth-to-Default Securities*

Where the Securities linked to the Reference Entity are Nth-to-Default Securities linked to the Reference Entity, the relevant Securities will be subject to redemption in full as described above upon the occurrence of a Credit Event and the satisfaction of the relevant conditions to settlement in relation to the Nth Reference Entity in relation to which the conditions to Settlement have been satisfied. With Nth-to-Default Securities linked to the Reference Entity, the credit risk to Securityholders may be increased as a result of, amongst other things, the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks.

(d) *There may be increased risks associated with Tranche Portfolio Securities*

If a Credit Event occurs in respect of a Reference Entity that results in an Incurred Loss Amount, the Outstanding Principal Amount of the Securities linked to the Reference Entity shall be reduced, unless otherwise specified in the Final Terms, by the sum of the lesser of: (a) the Outstanding Principal Amount ; and (b) the relevant Settlement Amount, which amount may be at a considerable discount to par and could be zero and interest will cease to accrue from the immediately preceding Interest Payment Date with respect to an amount equal to the relevant Settlement Amount with respect to such Reference Entity and Credit Event.

If following the occurrence of a Credit Event, the Outstanding Principal Amount of the Securities linked to the Reference Entity is reduced to zero, the Securities linked to the Reference Entity will be redeemed early. A Securityholder therefore risks losing all of its Outstanding Principal Amount and interest.

Further, if on an Interest Determination Date, the Calculation Agent determines that a potential Credit Event has occurred or a Credit Event has occurred which, in either case, could result in the determination of an Incurred Loss Amount, then interest shall be deferred in an amount which would have accrued on the Reference Entity Nominal Amount of the relevant affected Reference Entity until the actual Settlement Amount can be determined and, in such cases, any interest which would have been paid had the relevant potential Credit Event or Credit Event been determined in the same Interest Period shall be paid on a deferred basis on the Interest Payment Date following the date on which the relevant Settlement Amount has been determined.

Since payment under these Securities is linked to the credit of the Reference Portfolio, Securityholders will be exposed to the credit risk of the Reference Entity to the full extent of the Outstanding Principal Amount of their Securities. Securityholders will have no right to vote or exercise any other right or remedy with respect to any Reference Entity or any of its obligations.

(e) Risk relating to Determinations by Credit Derivatives Determinations Committees

In the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Credit Derivatives Determinations Committees make decisions on critical issues such as whether a Credit Event or Succession Event has occurred, which obligations are to be valued and whether an auction to determine the Final Price should take place. Credit Derivatives Determinations Committees are committees established by ISDA for purposes of reaching certain resolutions in connection with credit derivative transactions, as more fully described in the credit derivatives determinations committee rules, as published by ISDA on its website at <http://www.isda.org> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

Securityholders will be bound by any such decisions and will have no recourse against the Issuer, the Calculation Agent or any institutions serving on Credit Derivatives Determinations Committees in the event of any loss under these Securities arising directly or indirectly from any action, determination or resolution taken or made by any such Credit Derivatives Determinations Committee. The composition of Credit Derivatives Determinations Committees will change from time to time, as the term of a member institution may expire or a member institution may be required to be replaced. Securityholders will have no control over the process for selecting institutions to participate on Credit Derivatives Determinations Committees and, to the extent provided for in the Security Documentation, will be bound by the determinations made by such selected institutions.

Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the rules of such Credit Derivatives Determinations Committees, except in the case of gross negligence, fraud or willful misconduct. Furthermore, the member institutions of the Credit Derivatives Determinations Committees from time to time will not owe any duty to a Securityholder, and a Securityholder may not be in a position to bring any legal claims with respect to actions taken by such member institutions under the rules of the relevant Credit Derivatives Determinations Committees. A Securityholder should also be aware that member institutions of the Credit Derivatives Determinations Committees have no duty

to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obliged to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts. The Issuer currently is and is likely to be in the future a member of Credit Derivatives Determinations Committees.

(f) *Risks relating to the Calculation of the Final Price*

Unless a fixed percentage is specified as Final Price in the Final Terms, the Redemption Amount or Partial Redemption Amount payable by the Issuer to the Securityholders following the occurrence of a Credit Event with respect to a Reference Entity will be determined by the Calculation Agent.

In the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, an Auction Final Price which can be described as Final Price applicable to credit derivatives transactions referencing such Reference Entity determined in an auction conducted by ISDA. In certain circumstances, where ISDA publicly announces that no auction will be held to determine an Auction Final Price in respect of a Credit Event and Reference Entity or no Auction Final Price is determined by ISDA within a certain period of time, the Redemption Amount or Partial Redemption Amount payable by the Issuer to the Securityholders following the occurrence of a Credit Event with respect to a Reference Entity will be determined by the Calculation Agent in accordance with a Fallback Settlement Event.

The Final Price determination that is not based on an Auction Final Price conducted by ISDA but instead on one or more quotations for certain Selected Deliverable Obligations selected by the Issuer that are linked to the affected Reference Entity which are obtained by the Calculation Agent from dealers in obligations of the type of the Selected Deliverable Obligations. There is a risk that these quotations will be below the actual market value of the Selected Deliverable Obligations. Furthermore, such quotations may be affected by factors other than the occurrence of the relevant Credit Event and may vary widely from dealer to dealer and substantially between valuation dates. In addition, the Selected Deliverable Obligations may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting any determination of the value of such Selected Deliverable Obligations which in turn will have a negative impact on the Redemption Amount or Partial Redemption Amount payable to each Securityholder. Finally, as the Issuer is entitled to select the relevant Selected Deliverable Obligations for which quotations will be obtained in its discretion, it will likely select those Selected Deliverable Obligations that have the lowest value in the market at the relevant time (provided such obligations satisfy certain specifications and limits for qualification as Selected Deliverable Obligations). This would mean that Securityholders receive a Redemption Amount or Partial Redemption Amount which is determined based on obligations which have a lower value than other obligations of the Reference Entity which is subject to a Credit Event, thereby increasing the loss to Securityholders.

Generally, the lower the Final Price, the lower the Redemption Amount or Partial Redemption Amount payable to the Securityholders and the higher the financial loss to the Securityholders. The determined Final Price may be significantly lower than the value of individual obligations of the Reference Entity which is subject to a Credit Event for a variety of reasons including, but not limited to, illiquidity of some obligations of such Reference Entity, distortions in the financial markets, technical aspects of the process and prevailing market conditions at the time of the Final Price determination.

(g) Risk relating to Physical Settlement of the Underlying

Where the Securities linked to the Reference Entity provide that the applicable Settlement Method is “Physical Settlement” in the Final Terms, then, following the occurrence of a Credit Event, the Issuer may determine that the specified assets to be delivered are either (a) assets which (i) for any reason (including, without limitation, failure of the relevant clearing system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (ii) it is impracticable to Deliver on the specified settlement date because (1) certain Securityholders have not taken any action that is deemed necessary by the Calculation Agent to enable such Delivery or (2) the Securityholders have failed to provide know-your-customer information, sign and deliver relevant transfer documentation and/or confidentiality agreement, pay a fee to the agent to effect the transfer and/or provide any other information or documentation or make any other payment (including taxes) specified under the terms of the relevant specified asset or as is customary to provide in respect of such specified asset or (b) assets which the Issuer and/or any affiliate and/or agent has not received under the terms of any transaction and/or trading position entered into by the Issuer and/or such affiliate and/or agent to hedge the Issuer's obligations in respect of the Securities linked to the Reference Entity.

If the Issuer is entitled to select the Selected Deliverable Obligations to be delivered in its discretion and in accordance with the Final Terms, it will likely select such Selected Deliverable Obligations that have the lowest value in the market at the relevant time (providing such obligations satisfy certain specifications and limits for qualification as Selected Deliverable Obligations) with the result that Securityholders receive obligations having a lower value than other obligations of the Reference Entity thereby increasing the loss to Securityholders.

Any such determination may delay settlement in respect of the Securities linked to the Reference Entity and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Securities and as a result, the amount payable on redemption. Prospective Investors should review the relevant Conditions and the Final Terms to ascertain whether and how such provisions should apply to the Securities linked to the Reference Entity.

A physical redemption of the Securities linked to the Reference Entity may have unfavourable tax consequences. Furthermore, certain Securityholders may be prohibited or restricted from holding (whether directly or indirectly) some or all of the Selected Delivered Obligations. Neither the Issuer nor the Calculation Agent assumes any responsibility to monitor, anticipate or control whether a specific Securityholder is entitled to hold any of the Selected Deliverable Obligations or any assets delivered according to the terms of these Securities and shall not be liable for any damages that may occur due to the holding of any of such Selected Deliverable Obligations or such delivery.

(h) Risks relating to Cash Settlement

If the applicable Settlement Method provided in the Final Terms is “Cash Settlement”, then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained

may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations may be deemed to be zero in the event that no such quotations are available. This could result in a lower or zero recovery rate for Securityholders.

If the Issuer has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the terms of any relevant Securities linked to the Reference Entity. This could result in a lower recovery value and hence greater losses for Securityholders.

(i) Risks relating to Auction Settlement

In the case of Securities linked to the Reference Entity in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable with an Auction Settlement and a Credit Derivatives Determinations Committee publishes Auction Settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then the Calculation Agent will determine the Auction Settlement Amount in accordance with such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, nor the Issuer nor any of their respective affiliates has any responsibility for verifying that any auction price is reflective of current market values for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Calculation Agent, the Issuer or any of their respective affiliates participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the Securityholders. Such participation may have a material effect on the outcome of the relevant auction. Where the terms of any Securities linked to the Reference Entity state “Restructuring Maturity Limitation Date” and Fully Transferable Obligation Applicable or “Modified Restructuring Maturity Limitation Date” and Conditionally Transferable Obligation Applicable and the relevant Credit Event is a Restructuring, several concurrent but separate Auctions may occur with respect to such Reference Entity and such Credit Event. In certain circumstances, the Issuer may apply specific “Parallel Auction Settlement Terms” notifying Securityholders of the relevant Securities. The Auction Final Price may be based on one or more obligations of the Reference Entity having a Final Maturity Date different from the Restructured Bond or Loan and this may affect the Auction Settlement Amount determined in respect of the Securities linked to the Reference Entity.

(i) Risk relating to the Issuer’s discretion as to whether or not to serve a Credit Event Notice

A relevant event constitutes a Credit Event only if the Calculation Agent determines that such Event constitutes a Credit Event and the Issuer gives a Credit Event Notice to the Securityholders, irrespective of the ISDA public announcement, if any, of the relevant Credit Derivatives Determinations Committee that will resolve the matter whether a Credit Event has or not occurred with respect to the Reference Entity. However, the Issuer is not obliged to give such a notice, and may wait for another Credit Event to occur before giving a Credit Event Notice. If a Credit Event occurs, but the Issuer chooses to wait until the occurrence of another Credit Event, the Redemption Amount or Partial Redemption Amount relating to the subsequent Credit Event may be lower than the Redemption Amount or Partial Redemption Amount that would have been payable if it had been determined with respect to the initial Credit Event. Furthermore, Securityholders are not entitled to

deliver a Credit Event Notice themselves in order to benefit from a potentially higher Final Price. Neither the Issuer nor the Calculation Agent will have any liability to any Securityholder or any other person as a result of giving or not giving a Credit Event Notice with respect to these Securities.

(k) Postponement of payments of Interest or Principal Amount

If a Potential Credit Event (other than an event which would solely constitute a Restructuring) with respect to the Reference Entity has occurred and is continuing on a Scheduled Interest Payment Date, any payments of interest in respect of Securities linked to the Reference Entity scheduled to be made on such date, unless otherwise specified in the Final Terms, will be suspended until the Calculation Agent either determines that the relevant Potential Credit Event does not constitute a Credit Event or announces that it will not resolve the matter whether a Credit Event has occurred. The Issuer will not owe Securityholders additional interest or other payments by reason of any such suspension and delay and such suspension will not constitute an event of default in respect of the Issuer. If subsequent to such a suspension of payments of interest, the Potential Credit Event results in a Credit Event, no payment of the suspended interest payment(s) will be made by the Issuer.

If no Credit Event has occurred on or prior to the Scheduled Maturity Date, but the Calculation Agent determines that a Potential Failure to Pay, Potential Repudiation/Moratorium or Potential Credit Event, as applicable, has occurred with respect to the Reference Entity and is continuing on the Scheduled Maturity Date, the Scheduled Maturity Date and any payments of the Outstanding Principal Amount in respect of Securities scheduled to be made on such date, if applicable as specified in the Final Terms, may be postponed until the Calculation Agent announces that a Credit Event has not occurred with respect to the Reference Entity (provided that such announcement occurs before a Final Price has been determined or any Valuation Date or Physical Redemption Date has occurred). Unless otherwise specified in the Final Terms, the Issuer will not owe Securityholders additional interest or other payments by reason of any such postponement and delay and such postponement does not constitute an event of default in respect of the Issuer. If subsequent to the postponement of the redemption of the Securities the Potential Failure to Pay, Potential Repudiation/Moratorium or Potential Credit Event, as applicable, results in a Credit Event, the Issuer will redeem these Securities at the applicable Redemption Amount or Partial Redemption Amount on the Redemption Date specified in the Final Terms.

(l) Time delay before Securities are actually redeemed

Prospective Investors should be aware that due to the mechanism used to determine the Redemption Amount or Partial Redemption Amount of Securities linked to the Reference Entity, there may be a considerable delay between the occurrence of a Credit Event and the redemption of these Securities. Securityholders should therefore not rely on the ability to have the Redemption Amount or Partial Redemption Amount at their disposal for such period of time.

(m) The Security Performance differs significantly from a direct Investment in the Reference Entity

An investment in the Securities is not comparable to a direct investment in the Reference Entity or in a debt obligation issued by such Reference Entity (including its Reference Obligation). The market value of the Securities linked to the Reference Entity may not have a direct relationship with the value of the obligations of the Reference Entity, and changes in the value of such obligations will not necessarily result in a comparable change in the market value of these Securities. Following a Credit Event, the Redemption Amount of these Securities may be significantly lower than the

residual value of a direct investment in the Reference Entity. In particular, any recoveries achieved by creditors after the determination of the Redemption Amount or Partial Redemption Amount payable to the Securityholders will not benefit Securityholders. As a result, the performance of the Securities linked to the Reference Entity may differ significantly from a direct investment in the Reference Entity or in debt obligations issued by such Reference Entity.

If the Final Price used to determine the Redemption Amount or Partial Redemption Amount with respect to these Securities following a Credit Event is fixed (as specified in the Final Terms), it is likely that the Redemption Amount or Partial Redemption Amount, as applicable, will have no correlation to the residual value of obligations of the Reference Entity. Therefore, it is possible that the loss incurred by a Securityholder following the occurrence of a Credit Event in respect of the Reference Entity is significantly higher than the loss of an Investor in a particular obligation of the Reference Entity.

The Securities linked to the Reference Entity do not represent a claim against the Reference Entity and, in the event of any loss under the Securities, a Securityholder will have no right of recourse against any such Reference Entity nor will a Securityholder have any legal, beneficial or other interest whatsoever in the Reference Obligation. The Reference Entity is not involved in the issuance of these Securities in any way and the Reference Entity has no obligation to consider the interests of the Securityholders in taking any corporate actions that might affect the value of these Securities. The Reference Entity may, and is entitled to, take actions that will adversely affect the value of these Securities. The purchase price paid for the Securities linked to the Reference Entity is paid to the Issuer and not to the Reference Entity, and the Securities do not represent a direct investment in any obligation of the Reference Entity or otherwise give the Securityholders any rights in the debt obligations of the Reference Entity. As an owner of these Securities, a Securityholder will not have special voting rights or rights to receive distributions or any other rights that Securityholders of debt obligations of the Reference Entity may have.

(n) Occurrence of a Credit Event does not depend on Issuer suffering any Loss

The Issuer's obligations with respect to the Securities linked to the Reference Entity are independent of the existence or amount of the Issuer's and/or any of its affiliates' credit exposure to the Reference Entity and the Issuer and/or its affiliates need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event.

(o) Risks relating to the replacement and/or occurrence of Succession Events

Prospective Investors should note that the Reference Entity may change from time to time upon the occurrence of Succession Events with respect to the Reference Entity and, if more than one successor Reference Entity is determined as a result of any Succession Event, the terms & conditions of these Securities may, without the consent of the Securityholders, be deemed to be amended to reflect such additional Reference Entities.

In the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Calculation Agent will determine whether a Succession Event has occurred; provided that the Calculation Agent will not make such determination if, at such time, either ISDA has publicly announced that it has been requested to determine whether a Succession Event has occurred (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has decided not to resolve such matters) or ISDA has announced that the relevant Credit Derivatives Determinations Committee has

resolved that no event that constitutes a Succession Event has occurred.

A Succession Event may result in an increase in the likelihood of the occurrence of a Credit Event with respect to the successor Reference Entity or Reference Entities, which may adversely affect the value of these Securities. In addition, a replacement of the Reference Entity or other events may lead to the replacement of the Reference Obligation by a Substitute Reference Obligation or Substitute Reference Obligations. Such replacement may adversely affect the Redemption Amount payable to Securityholders should a Credit Event occur and/or the value of the Securities linked to the Reference Entity.

Furthermore, a replacement of the Reference Entity or other events may lead to the replacement of the Reference Obligation(s) by a Substitute Reference Obligation(s). Such replacement may adversely affect the Redemption Amount payable to Securityholders in case of a Credit Event and/or the value of Securities linked to the Reference Entity.

(p) No representation or warranty by the Issuer with respect to a Reference Entity

Neither the Issuer nor any of its affiliates make or have made any representation whatsoever with respect to the Reference Entity or any of its affiliates, the Reference Obligation or any other obligation thereof. The Issuer and its affiliates are not responsible for the Reference Entity's public disclosure of information. Prospective Investors should obtain and evaluate any information concerning the Reference Entity at least to the same extent as they would if they were investing directly in the Reference Entity.

There is no guarantee, protection or assurance for Investors of the Securities linked to the Reference Entity in respect of the credit or performance of the Reference Entity, the Reference Obligation or any obligation thereof. Neither the Issuer nor any of its affiliates makes any representation as to the future performance of these Securities either in absolute terms or relative to other investments.

(q) Transactions with and/or via the Reference Entity or Reference Entities

The Issuer, the Calculation Agent and any the paying agent or any of their respective affiliates may deal in any obligations of or derivatives referencing the Reference Entity and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity or any affiliate of a Reference Entity or any other person or entity having obligations relating to a Reference Entity, and may act with respect to such business in the same manner as each of them would if these Securities did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity or the position of any Securityholder (including, without limitation, any action which might constitute or give rise to a Credit Event).

There can be no assurance that all events occurring prior to the Issue Date or Trade Date of these Securities that could affect the trading price of the Reference Entity (and therefore the trading price and value of these Securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning the Reference Entity could affect the trading price and value of the Securities linked to the Reference Entity.

(r) No duty to disclose information with respect to any Reference Entity

The Issuer, the Calculation Agent or any of their respective affiliates may have acquired, or may during the term of the Securities linked to the Reference Entity acquire public or non-public information with respect to the Reference Entity, that they may not disclose. Prospective Investors must therefore make an investment decision based upon their own due diligence and purchase these Securities with the knowledge that any public or non-public information that the Issuer, the Calculation Agent or any of their respective affiliates may have will not be disclosed to them. None of the Issuer, the Calculation Agent or any of their respective affiliates is under any obligation to (a) review on behalf of a Securityholder the business, financial conditions, prospects, creditworthiness, status or affairs of the Reference Entity or conduct any investigation or due diligence into the Reference Entity or (b) other than as may be required by applicable rules and regulations relating to these Securities, make available (i) any information relating to these Securities or (ii) any public or non-public information they may possess with respect to the Reference Entity.

In the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable it is expected, however, that certain resolutions of the relevant Credit Derivatives Determinations Committee with regard to the determination of Credit Events or Succession Events will be announced on ISDA's website <http://www.isda.org> (or any successor website thereto) from time to time. Unless otherwise specified in the Final Terms, the information contained on ISDA's website does not form part of the Security Documentation. Any failure on the part of Securityholders to make themselves aware of any such resolutions will have no effect on the Issuer's rights and obligations under these Securities and the Securityholders are solely responsible for obtaining such information.

Any information with regard to the Reference Entity (or the Reference Obligation) contained in the Security Documentation consists of extracts from or summaries of information that is publicly available in respect of such Reference Entity (or Reference Obligation) and is not necessarily the latest information available. The Issuer accepts responsibility for accurately reproducing publicly available information with regard to the Reference Entity (or the Reference Obligation) in the Security Documentation. No further or other responsibility (express or implied) in respect of information relating to a Reference Entity (or Reference Obligation) is accepted by the Issuer. The Issuer makes no representation that the information with regard to a Reference Entity (or Reference Obligation), any other publicly available information or any other publicly available documents regarding a Reference Entity (or Reference Obligation) are accurate or complete.

There can be no assurance that all events occurring prior to the Issue Date or Trade Date of the Securities linked to the Reference Entity that could affect the trading price of the Reference Entity (and therefore the trading price and value of these Securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure or failure to disclose material future events concerning the Reference Entity could affect the trading price and value of the Securities linked to the Reference Entity.

(s) The Credit Risk of the Reference Entity may be influenced by external Factors

The Reference Entity will be a company or a sovereign. In the case the Reference Entity is a company, its credit risk is not only expected to be significantly influenced by company-specific conditions, but also by external national and international economic developments relating to the company's industry sector and political developments. The credit risk of a Reference Entity that is a sovereign will be particularly influenced by the stability or instability of such sovereign's political and

economic systems.

If the Securities linked to the Reference Entity are linked to an emerging market Reference Entity, Securityholders should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuations. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means, popular unrest associated with demands for improved political, economic or social conditions, internal insurgencies, hostile relations with neighbouring countries, and ethnic, religious and racial disaffections or conflict. Certain of such countries may in the past have failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the Reference Entity in those countries. The small size and inexperience of these Securities markets in certain countries and the limited volume of trading in Securities may make the relevant Reference Obligation illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to the Reference Entity, and it may as a result be difficult to assess the value or prospects of such Reference Entities and therefore the Securities linked to the Reference Entity.

(t) *Market and Regulatory developments & changes in the Credit Risk of the Reference Entity*

Market and regulatory developments affecting credit derivatives transactions have in the past and may in the future lead to changes in the documentation or settlement of credit derivatives transactions. In some cases market participants may elect to apply revised terms to some or all of the existing transactions entered into between them and this might have a direct or indirect impact on, or result in changes in, the economic value of Securities linked to the Reference Entity. There can be no assurance that the application of such revised terms will operate to improve the return to a Securityholder on its investment in these Securities, and they may indeed have a material and detrimental effect on such a return.

Deterioration in the credit rating of the Reference Entity or any of the Reference Entities, as applicable, will most likely have a negative impact on the market value of these Securities. The market value of such Securities will fall significantly if a Credit Event or Credit Redemption Event, as applicable, with respect to the Reference Entity or any of the Reference Entities, as applicable, has occurred, or if there is a market perception that such an event is likely to occur.

(u) *Risk relating to the Liquidity of the Reference Obligation*

The Reference Obligation(s) may have no, or only a limited, trading market. The liquidity of a Reference Obligation will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of such Reference Entity. Financial markets have experienced periods of volatility and reduced liquidity that may re-occur and reduce the market value of the Reference Obligation(s). If a Credit Event occurs with respect to the Reference Entity, any resulting diminution in the market value of the related Reference Obligation(s) could be further magnified by reason of such limited liquidity for such Reference Obligation(s).

(v) ISDA Definitions

Unless otherwise specified in the Final Terms, these Terms & Conditions for Securities linked to the Reference Entity do not incorporate by reference the ISDA Definitions and there are material differences between these Terms & Conditions and the ISDA Definitions. Consequently, Prospective Investors should be aware that an investment in these Securities is not the same as investment in a credit default swap that incorporates the ISDA Definitions. In particular, there are likely to be material differences in the amounts and timing of payments under these Securities as compared with the amounts and timings of payments under a market standard credit default swap (incorporating the ISDA Definitions) referencing the same Reference Entity.

Risks Factors related to Bank J. Safra Sarasin Ltd

Bank J. Safra Sarasin Ltd is exposed to a variety of risks that could adversely affect its results of operations or financial situation and has described any such risks that it believes to be material. In such case, the Issuer may not be able to fulfil all or a part of its obligations under these Securities and Securityholders could lose all or a part of their investment in, and any expected return on, the Securities.

(a) Regulatory and Legal risk

As a Swiss bank, Bank J. Safra Sarasin Ltd is subject to the special restructuring and insolvency regime set out in Article 25 et seq. of the Swiss Banking Act, which gives FINMA broad powers and considerable discretion in taking measures it deems appropriate for purposes of facilitating the restructuring of Swiss banks and banking groups. Accordingly, it is uncertain which measures or actions FINMA and/or other authorities would take in connection with a potential insolvency of Bank J. Safra Sarasin Ltd and such measures may affect the Issuer's ability to fulfil its duties in connection with the Securities.

The business operations of Bank J. Safra Sarasin Ltd are governed by law and regulations and are subject to regulatory supervision. Any changes to the current legislation might affect the business operations and its operating results of Bank J. Safra Sarasin Ltd. This may affect the Issuer's ability to make payments under the Securities.

Regulators and governments continue to focus on the reform of the financial services industry, including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk, including potentially ring-fencing certain activities and operations within specific legal entities. Bank J. Safra Sarasin is already subject to extensive regulation in many areas of its business and expects to face increased regulation and regulatory scrutiny and enforcement. Bank J. Safra Sarasin expects such increased regulation to continue to increase its costs, including but not limited to, costs related to compliance, systems and operations, as well as affecting its ability to conduct certain businesses, which could adversely affect its profitability and competitive position. Variations in the details and implementation of such regulations may further negatively affect the Issuer, as certain requirements currently are not expected to apply equally to all of its competitors or to be implemented uniformly across jurisdictions.

For example, the additional requirements related to minimum regulatory capital, leverage ratios and

liquidity measures imposed by Basel III could potentially impact the access to capital markets and increase the funding costs of Bank J. Safra Sarasin Ltd.

Similarly, cross-border tax regulations with extraterritorial effect, such as the Foreign Account Tax Compliance Act ("**FATCA**"), the Qualified Intermediary ("**QI**") regime and the Automatic Exchange of Information in tax matters ("**AEoI**"), impose detailed reporting obligations, increased compliance and systems-related costs on Bank J. Safra Sarasin's businesses. Additionally, implementation of the European Market Infrastructure Regulation ("**EMIR**") and its Swiss equivalent Financial Market Infrastructure Act ("**FMIA**"), the Capital Requirement Directive IV and Capital Requirements Regulation ("**CRD IV**") and the revised Markets in Financial Instruments Directive (Directive 2014/65/EU) ("**MIFID**") and the Swiss Financial Services Act ("**FIDLEG**") may negatively affect Bank J. Safra Sarasin's business activities. Finally, new total loss-absorbing capacity requirements may increase Bank J. Safra Sarasin's funding costs or limit the availability of funding.

Bank J. Safra Sarasin expects the financial services industry, including Bank J. Safra Sarasin, to continue to be affected by the significant uncertainty over the scope and content of current and pending regulatory reform. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect Bank J. Safra Sarasin's results of operations.

Despite Bank J. Safra Sarasin's best efforts to comply with applicable regulations, a number of risks remain, particularly where applicable regulations may be unclear or inconsistent among jurisdictions, where regulators revise their guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against Bank J. Safra Sarasin Ltd, which could result in, among other things, suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially adversely affect Bank J. Safra Sarasin's results of operations and seriously harm its reputation.

Violation of applicable regulations could result in legal and/or administrative proceedings, which may impose censures, fines, cease-and-desist orders or suspension of a firm, its officers or employees. The scrutiny of the financial services industry has increased over the past years, which has led to increased regulatory investigations and litigations against financial services firms.

(b) General Insolvency risk

Each Securityholder bears the general risk that the financial situation of the Issuer could deteriorate. The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. In the event of insolvency of the Issuer, Investors may thus experience a total loss of their investment in the Securities.

Unless specified otherwise, the Securities constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, in particular in case of insolvency of the Issuer, rank *pari passu* with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions. The insolvency of the Issuer may lead to a partial or total loss of the invested capital.

Securities issued under a collateral arrangement as the SIX Collateral-Secured Instruments – COSI Collateralization (as further described in the Section "SIX Collateral Secured Instruments (COSI)") minimize the credit risk of the Issuer only to the extent that the proceeds from the liquidation of

collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) meet the Securityholders' claims. The Securityholder bears the following risk, among others: the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place. The costs for the service provided by the collateral provider in respect to the collateralization of the Securities may be taken into account for the pricing of a specific Security and may therefore be borne by the Securityholders, as the case may be. With regard to the payment of the pro-rata share of the net liquidation proceeds the Securityholder shall bear the solvency risks of Collateral Provider (i.e. SIX Swiss Exchange) and the financial intermediaries along the payout chain. The payment to the Securityholders may be delayed for factual or legal reasons. To the extent the calculation of the current value of Securities proves to be incorrect, the collateralization of the Securities may be insufficient.

(c) *Liquidity risk*

Liquidity and liquidity management are of critical importance to Bank J. Safra Sarasin Ltd. Liquidity could be affected by the inability to access the long-term or short-term debt, repurchase, or Securities lending markets or to draw under credit facilities, whether due to factors specific to Bank J. Safra Sarasin Ltd or to general market conditions. In addition, the amount and timing of contingent events, such as unfunded commitments and guarantees, could adversely affect cash requirements and liquidity.

The businesses benefit from short-term funding sources of Bank J. Safra Sarasin Ltd, including primary demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue. In that case, the liquidity position of Bank J. Safra Sarasin Ltd could be adversely affected and it might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses.

In challenging credit markets, the funding costs of Bank J. Safra Sarasin Ltd may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting the results of operations. If Bank J. Safra Sarasin Ltd is unable to raise needed funds in the capital markets, it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, Bank J. Safra Sarasin Ltd may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could adversely affect its results of operations and financial condition.

(d) *Creditworthiness of the Issuer*

Access to the unsecured funding markets is dependent on the Issuer's credit ratings, if existing (as indicated in the Final Terms). A reduction in the Issuer's credit ratings could adversely affect the Issuer's access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements.

(e) *Cash Flow Risk*

In general, Securities provide a certain cash flow. The Final Terms set forth under which conditions, on which dates and in which amounts interest and/or redemption amounts is/are paid. In the event that the agreed conditions do not occur, the actual cash flows may differ from those expected. The materialization of the cash flow risk may result in the Issuer's inability to make interest payments

or in the inability to redeem the Securities, in whole or in part.

(f) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In general, although it has business continuity plans, the businesses face a wide variety of operational risks, including technology risk that stems from dependencies on information technology, third-party suppliers and the telecommunications infrastructure. Bank J. Safra Sarasin Ltd is exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or in transactions not being properly recorded or accounted for. Regulatory requirements in this area have increased and are expected to increase further.

Information security, data confidentiality and integrity are of critical importance for the business of Bank J. Safra Sarasin Ltd. Despite Bank J. Safra Sarasin Ltd's wide array of security measures to protect the confidentiality, integrity and availability of its systems and information, it is not always possible to anticipate the evolving threat landscape and mitigate all risks to its systems and information. Bank J. Safra Sarasin Ltd could also be affected by risks to the systems and information of clients, vendors, service providers, counterparties and other third parties.

The business of Bank J. Safra Sarasin Ltd is exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of "rogue traders" or other employees. It is not always possible to prevent employee misconduct, and the precautions Bank J. Safra Sarasin Ltd takes to prevent and detect this activity may not always be effective.

Bank J. Safra Sarasin Ltd has risk management procedures and policies designed to manage its risk. These techniques and policies, however, may not always be effective. Bank J. Safra Sarasin Ltd continues to adapt its risk management techniques, in particular value-at-risk, stress tests and scenario analysis, which relies on historical data, to reflect changes in the financial and credit markets. No risk management procedures can anticipate every market development or event, and the risk management procedures and hedging strategies of Bank J. Safra Sarasin Ltd, and the judgments behind them, may not fully mitigate its risk exposure in all markets or against all types of risk.

(g) Potential Conflict of Interests

The Issuer and affiliated companies may participate in transactions related to the Securities for their own account or for the account of a client. Such transactions may not serve to benefit the Securityholder and may have a positive or negative effect on the value of the Underlying Asset (if any) and consequently on the value of the Securities. Furthermore, companies affiliated with the Issuer may become counterparties in hedging transactions relating to obligations of the Issuer stemming from the Securities. As a result, conflict of interests can arise between companies affiliated with the Issuer, in relation to obligations regarding the calculation of the price of the Securities and other associated determinations. In addition, the Issuer and its affiliates may act in other capacities with regard to the Securities, such as Calculation Agent, paying agent and/or Index Sponsor.

Furthermore, the Issuer and its affiliates may issue other Securities relating to the respective

Underlying Asset (if any); introduction of such competing Securities may affect the value of the Securities. The Issuer and its affiliated companies may receive non-public information relating to the Underlying Asset (if any), and neither the Issuer nor any of its affiliates undertake to make this information available to the Securityholders. In addition, one or more of the Issuer's affiliated companies may publish research reports on the Underlying Asset (if any). Such activities could present conflict of interest and may affect the value of the Securities.

(h) Disclosure with regards to the fees

Within the context of the offering and sale of the Securities, the Issuer or any of its affiliates may directly or indirectly pay fees in varying amounts to third parties, such as distributors, investment advisors, banks, and other financial intermediaries or institutions (together the "FI"), or receive payment of fees in varying amounts, including those levied in association with the distribution of the Securities, from third parties. Prospective Investors should be aware that the Issuer may retain fees in part or in full. The Issuer or, as the case may be, the Lead Manager, upon request, will provide information on the amount of these fees.

Prospective Investors should be aware that such remunerations, e.g. discounts, reimbursements and trailer fees, may, depending on the circumstances, cause conflicts of interests at the FI; FI are obliged, however, to implement organizational measures designed to prevent that such conflicts of interest may adversely affect the interests of their clients. Further information is available, upon request, from the Issuer or, as the case may be, the Lead Manager or the FI. For more detailed information please also consider the Condition 9 "Fees and related conflict of interests" of the General Terms & Conditions section.

INFORMATION ABOUT THE ISSUER

General Information

(a) Name, registered office and location of the head office

The Issuer, which may also be acting through its Guernsey Branch, is formed under the name:

Bank J. Safra Sarasin Ltd

(GE: Bank J. Safra Sarasin AG)

(FR: Banque J. Safra Sarasin SA)

(IT: Banca J. Safra Sarasin SA)

(SP: Banco J. Safra Sarasin SA)

A company limited by shares, which is governed by title twenty-six (Article 620 et seq.) of the Swiss Code of Obligations (“CO”) and the Federal Act on Banks and Saving Institutions (the “**Banking Act**”) with its registered head office in Basel, Switzerland. The registered office of the Guernsey Branch is 1st Floor, Frances House, Sir William Place, St. Peter Port, Guernsey GY1 3UY (Channel Islands).

(b) Incorporation, Register and Duration

The history of the Issuer dates back to the middle of the 19th century. Sarasin & Cie, Banquiers, were incorporated under this name on January 1, 1900. The constitution change from Bank Sarasin & Cie to Bank Sarasin & Co. Ltd was incorporated on February 26, 2002 to the commercial register. The constitution change from Bank Sarasin & Co. Ltd to Bank J. Safra Sarasin Ltd was incorporated on June 13, 2013. The company number of Bank J. Safra Sarasin Ltd is CHE-105.933.773.

According to Article 4 of the Articles of Association of Bank J. Safra Sarasin Ltd dated as of 31 May 2013, the duration of the company shall be indefinite.

(c) System of law, legal form

Bank J. Safra Sarasin Ltd (also referred to as the “**Bank**”) is incorporated and domiciled at Elisabethenstrasse 62, 4051 Basel, Switzerland, as a stock corporation (“Aktiengesellschaft”) in accordance with Article 620 et seq. CO. Bank J. Safra Sarasin Ltd operates under the Swiss Code of Obligations and Swiss Federal Banking Law and is supervised by the FINMA. Bank J. Safra Sarasin Ltd is registered with the commercial registry of the Canton of Basel-Stadt and was originally founded in 1841.

Bank J. Safra Sarasin Ltd, Guernsey Branch (the Guernsey branch of Bank J. Safra Sarasin Ltd) is domiciled at Frances House, Sir William Place, St. Peter Port, Guernsey GY1 3UY, Channel Islands, and is licensed by the Guernsey Financial Services Commission in respect of the Banking Supervision (Bailiwick of Guernsey) Law 1994 and the Protection of Investors (Bailiwick of Guernsey) Law 1987. Bank Sarasin & Co. Ltd was originally founded in 1841.

(d) Purpose

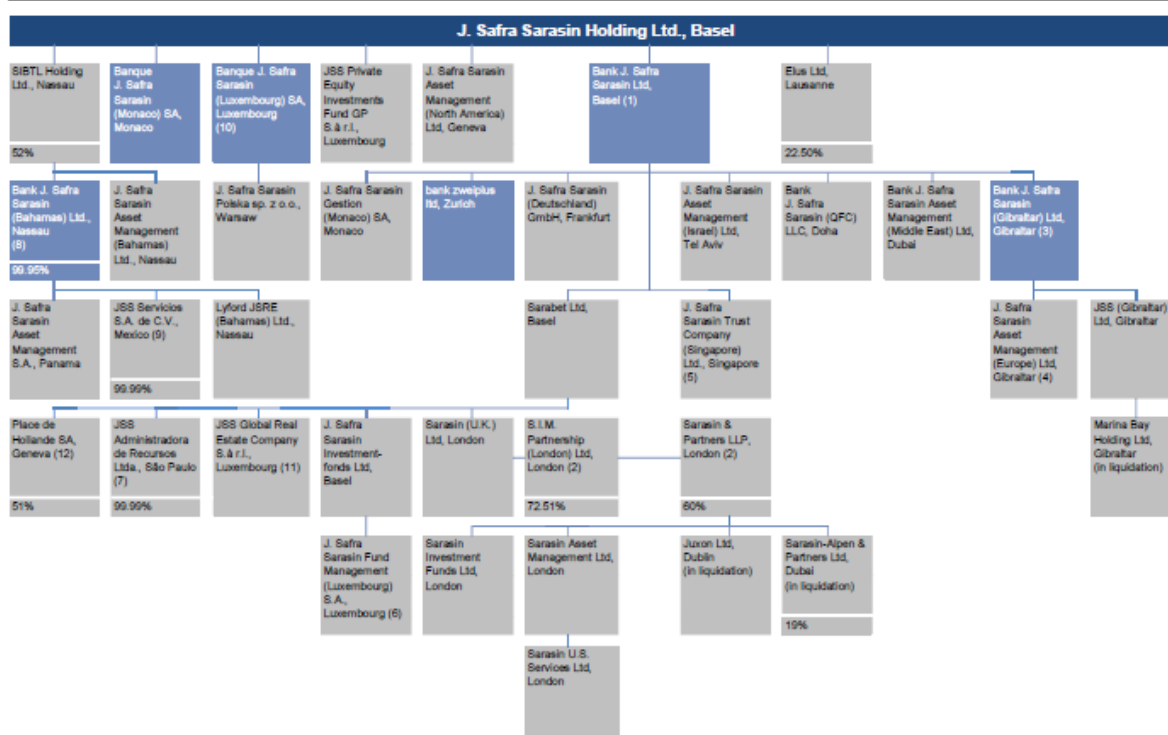
The most recent Articles of Association are dated 31 May 2013. According to Article 3 of the Articles of Association of Bank J. Safra Sarasin Ltd, the purpose of the Bank is to operate an internationally

active bank in Switzerland and abroad. The Bank is mainly active in the area of securities trading and related services, but also performs commercial banking transactions; its activities for its own account and for the account of clients include (a) providing investment advice and portfolio management services, including the management of assets of collective investment schemes; (b) reception and transmission of orders as well as execution of orders in relation to financial instruments; (c) underwriting and placing new issues of equities, bonds and other Securities as well as managing and participating in syndicates in Switzerland and abroad; (d) safekeeping and administration of financial instruments and other valuables; (e) accepting funds in all negotiable forms, including savings deposits; (f) performing certain functions in connection with collective investment schemes; (g) issuing certificates of deposit and bonds; (h) granting secured and unsecured credits or loans and carrying out other lending transactions; (i) buying and selling foreign currencies, Swiss and foreign banknotes, coins, precious metals as well as carrying out related transactions; (j) processing payment transactions, letters of credit and the collection of cash against documents; (k) issuing guarantees and assuming guarantee obligations; (l) fiduciary business and transactions; (m) money market transactions; (n) Securities lending and borrowing; (o) buying and selling derivatives relating to Securities, currencies, precious metals, interest rates and indices; (p) options, financial futures, swaps and transactions involving other derivatives as well as structured financial products that are customary on the market; (q) trust services; (r) economic analysis; (s) corporate finance; (t) leasing safe deposit boxes; and (u) such other things as may be considered incidental or conducive to the above objects or any of them.

In pursuit of its objectives, the Bank may perform all types of banking and financial transactions and services characteristic of a bank, set up subsidiaries, branches and representative offices in Switzerland and abroad, take shareholdings in other undertakings in Switzerland and abroad, and acquire, hold, administer, mortgage, dispose of real estate in Switzerland and abroad.

(e) Legal structure of Bank J. Safra Sarasin Group

Legal structure as of 03.05.2023



Banking status

Except as indicated, 100% ownership.

- (1) Branches in Bern, Geneva, Lugano, Lucerne, Zurich
Branches abroad: Guernsey, Hong Kong, Singapore
Representative Offices: Istanbul, Mexico City (joint), Tel Aviv
- (2) Voting rights. Remaining percentage with Management
- (3) Head Office: Gibraltar – Branch: London
- (4) Head Office: Gibraltar – Branch: London
- (5) The company owns the following subsidiaries: Asia Square Holdings Ltd. (BVI), Edinburgh Management Ltd. (BVI), Shenton Management Ltd. (BVI)
- (6) Head Office: Luxembourg – Branch: Vienna
- (7) The remaining 0.01% of the shares are held by Bank J. Safra Sarasin Ltd
- (8) The remaining 0.05% of the shares are held by Fiduciary; Representative Office: Mexico City (joint)
- (9) The remaining 0.01% of the shares are held by SIBTL Holding Ltd.
- (10) Head Office: Luxembourg – Branches: Amsterdam, Madrid, Milan, Paris (not yet operational); Representative Offices: Mexico City (joint), Tel Aviv
- (11) Not operational
- (12) 49% with Thematic S.a.r.l.

Information on administrative, management and audit bodies

(a) Organisational structure of Bank J. Safra Sarasin Ltd

Private Banking

The Private Banking segment («PB» or «PB divisions») is responsible for the acquisition, service and support of clients in the global private clients business. This business segment has locations in Switzerland (Basel, Berne, Geneva, Lugano, Lucerne and Zurich), Europe (Gibraltar, Monaco, Ireland, Poland and the UK), the Middle East (Bahrain, Oman, Qatar and the United Arab Emirates) and Asia (Hong Kong and Singapore).

Trading, Treasury and Asset Management

The Trading, Treasury segment («T&T» or «T&T division») is the centre of competence for Trading, Advisory Services, Treasury and Family Office Services within Bank J. Safra Sarasin Group. T&T includes several services to clients and the Issuer: (i) Trading Services; (ii) Treasury Services and (iii)

Investment Advisory Services; It also looks after all Securities transactions on behalf of the Group's clients and monitors the Group's liquidity and proprietary trading.

The Asset Management segment («AM» or «AM division») provides services to institutional clients and distribution partners in the wholesale area at all Bank J. Safra Sarasin Group locations. It also brings together investment and economic research as well as product development expertise. The fund management companies are therefore organised under this business segment.

Chief Operating Officer

The Chief Operating Office division («COO» or «COO division») includes internal support functions in the areas of Logistics (IT, Operations and Facility Management) on the one hand and operational management (Human Resources, Business Development & Support, Corporate Marketing & Communication and Group Information Security) on the other hand.

General Counsel

With the aim of limiting and avoiding legal risks, Group Legal provides advice to the management and to employees, handles legal disputes, clarifies legal requirements for new products and offers support during their development, concludes contracts with business partners and clients, and looks after legal forms.

Group Compliance ensures that employees do not violate external or internal rules and regulations when pursuing their objectives and always conduct themselves in an ethical and responsible way. The General Counsel division also includes Regulatory Tax and the Risk office.

Group Internal Audit

The Group internal Audit («GIA») department independently, objectively and systematically assesses (i) the effectiveness of processes implemented to define strategy and risk appetite as well as the overall adherence to the approved strategy; (ii) effectiveness of governance processes; (iii) effectiveness of risk management, including whether risks are appropriately identified and managed; (iv) effectiveness of internal controls, specifically whether they are commensurate with the risks taken; (v) effectiveness and sustainability of remediation actions, if any; (vi) reliability and integrity of financial and operational information, i.e. whether activities are properly, accurately and completely recorded, and the quality of Underlying data and models; and (vii) compliance with legal, regulatory and statutory requirements (such as the provisions of the AoA), as well as with internal policies and contracts.

(b) Corporate Governance

Bank J. Safra Sarasin Ltd operates under a strict dual board structure, as mandated by Swiss banking law. This structure establishes checks and balances and creates an institutional independence of the Board of Directors from the day-to-day management of the firm, for which responsibility is delegated to the Group Executive Board. The supervision and control of the executive management remains with the Board of Directors.

The corporate governance principles and rules followed by Bank J. Safra Sarasin Ltd are laid down by the Articles of Association, the Regulations for Organisational Structures and Business Management and the regulations of the Board's committees. They are regularly reviewed in accordance with applicable external rules and are submitted to the Board of Directors or to the General Meeting of Shareholders for their approval. The principles of Bank J. Safra Sarasin Ltd are modelled on the guidelines and recommendations contained in the Swiss Code of Best Practice for Corporate Governance established by Economiesuisse. As a bank governed by Swiss law, Bank J.

Safra Sarasin Ltd is obliged to submit both its Articles of Association and its Regulations for Organisational Structures and Business Management to the Swiss Financial Market Supervisory Authority FINMA for approval.

(c) Board of Directors (“BoD”)

- **Jürg Haller**, Chairman of the BoD with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Flavio Romerio**, Vice-Chairman of the BoD and Member of the Audit & Risk Committee with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Jacob J. Safra**, Member of the BoD with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Philippe Dupont**, Member of the BoD and Member of the Audit & Risk Committee with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Jorge A. Kininsberg** Member of the BoD, and President of the Audit & Risk Committee with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel.

(d) Group Executive Board (“GEB”)

The GEB is the executive management body of Bank J.Safra Sarasin Ltd. The GEB has executive management responsibility for the steering of the bank and its business in line with the directions given by the Board. The GEB is entitled to delegate certain responsibilities and authorities to the Bank’s management bodies such as the Executive Committee or other operational committees in accordance with the relevant organisational rules and allocation of competencies.

(e) Senior Management (GEB & Executive Committee)

- **Daniel Belfer**, Chief Executive Officer (“CEO”) with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel. Chairman of the GEB;
- **Elie Sassoon**, Head of the Private Banking (Region II & EXAM) with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel. Member of the GEB;
- **Oliver Cartade**, Head of the Asset Management Division & Institutional Clients with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel. Member of the GEB;
- **Marcelo Szerman**, Chief Operating Officer (“COO”) with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel. Member of the GEB;
- **Stephane Astruc**, General Counsel with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel; Member of the GEB.

- **Bas Rijke**, Head of the Private Banking (Region I) with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Andy Chai**, Head of the Private Banking (Region III) with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;
- **Christian Younes**, Head of the Trading & Treasury Division with joint signature at two. Business address: Bank J. Safra Sarasin Ltd, Elisabethenstrasse 62, 4002 Basel;

(f) Auditors

Deloitte AG (the “Auditor” or “Auditors”) Zürich, Switzerland has audited the accompanying consolidated financial statements of Bank J. Safra Sarasin Ltd, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Business activities

(a) Principal activities

The Bank J. Safra Sarasin Group is a global banking group specialising in private banking services and asset management. As an international group committed to sustainability and well established through its banks in Europe, Asia and the Middle East, the Group is a global symbol of private banking tradition, emphasizing security and well-managed conservative growth for clients. Bank J. Safra Sarasin Ltd is headquartered in Basel.

(b) Court, arbitral and administrative proceedings

In the course of their normal business, Bank J. Safra Sarasin Ltd and individual companies in the Group are involved in various types of litigation. The Group makes provisions for such contingencies if the Bank and its legal advisers consider that the Group is likely to have to make payments and if the amount of those payments can be estimated. All provisions for banking risks connected with litigation are included in the Group balance sheet under “Value adjustments and provisions” and the provisions are established on a prudent basis.

Save as disclosed in this Base Prospectus, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have a material effect on the financial position or profitability of the Issuer.

(c) Information on the material business prospects

Regarding the business prospects of Bank J. Safra Sarasin, inflation rates seem to have peaked globally, assuming another energy price shock does not take place. The mild winter in Europe led to low energy consumption and prices, which should reduce production costs and normalise food prices, causing headline inflation to drop further during 2023. Core inflation, which does not include energy and food prices, could remain sticky and converge slowly to targets set by central banks due to a strong labour market and geopolitical conflicts and tensions.

Global government and corporate bond market interest rates are significantly higher compared to previous years. This has improved the risk/return profile for bonds, especially high-quality ones, as reflected in the narrowing gap between earnings yield on equities and yield on investment-grade bonds.

In 2023, the Bank will continue to make progress on the Group's strategy, including digitalisation, which allows the Bank to engage even more closely with its clients and provide them with the high level of service they expect from the Bank no matter where they are; the Bank plans to develop the Group's wealth management activities across geographies, in order to offer our services and expertise where they are needed; and the expansion of our product offering, providing the Bank clients with the means to achieve their objectives.

Capital Structure, Shareholders, Own Equity Securities

(a) Capital structure

The share capital of Bank J. Safra Sarasin Ltd amounts to CHF 22,014,783.91 (twenty-two million fourteen thousand seven hundred and eighty-three Swiss francs and ninety-one Swiss cents), fully paid-up. The share capital is divided into 56,571,428 (fiftysix million five hundred and seventy-one thousand four hundred and twenty eight) Class A registered shares with a par value of CHF 0.07 (seven Swiss cents) each and 51,585,097 (fifty-one million five hundred and eighty-five thousand and ninety seven) Class B registered shares with a par value of CHF 0.35 (thirty-five Swiss cents) each.

(b) Outstanding bonds

Bank J. Safra Sarasin Ltd has not issued any bonds that are outstanding as of the date of this Base Prospectus.

(c) Own equity Securities

Bank J. Safra Sarasin Ltd does not hold any treasury shares and none of its subsidiaries holds any shares in Bank J. Safra Sarasin Ltd.

Financial statements

(a) Annual Financial Statements

The annual financial statements for the business year 2022 of Bank J. Safra Sarasin Ltd are incorporated by reference into this Base Prospectus (see "DOCUMENTS INCORPORATED BY REFERENCE").

(b) Reporting date of the financial statements

The financial year of Bank J. Safra Sarasin Ltd ends on 31 December in each calendar year. The reporting date of the last audited annual financial statements is dated as of 31 December 2022.

(c) Accounting, valuation and consolidated principles

The Group's financial statements are presented in accordance with the Accounting Ordinance of accounting of the Swiss Financial Market Supervisory Authority (FINMA-AccO) and the accounting rules for banks, investment firms, financial groups and conglomerates pursuant to FINMA Circular 2020/1. Capital adequacy disclosures under FINMA Circular 2016/1 are published on our website www.jsafrasarasin.com.

The consolidated financial statements are prepared in accordance with the True and Fair View principle. The consolidation period for all Group entities is the calendar year ending 31 December. The accounting and valuation principles of the entities have been adjusted, where materially different, to the Group's consolidation principles.

Participating interests of more than 50% are wholly consolidated using the purchase method if the Group has the control, i.e. if the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Assets and liabilities, as well as costs and revenues, are stated in full (100%). Minority shareholders' interests in the net assets and net profit are stated separately in the balance sheet and the consolidated income statement. Participating interests between 20% and 50% are consolidated according to the equity method. The net profit and assets corresponding to such holdings are reflected in the consolidated accounts according to the percentage owned by the Group. Minor participating interests and those of less than 20% are stated as unconsolidated participations at their acquisition cost, after deduction of provisions for any necessary depreciation in value. When acquiring a participation, the difference between the book value of the acquired participation and its net asset value is allocated to goodwill.

The Group qualifies as a financial group within the meaning of Article 3c al. 1 of the Swiss Banking Act, over which FINMA exercises consolidated supervision. The scope of consolidated supervision applies to all direct and indirect subsidiaries, branches, and representative offices of the Group.

(d) Audit of financial statements

Bank J. Safra Sarasin Ltd has appointed Deloitte AG, Zürich, Switzerland, as its independent auditor for the Group's financial statements 2022.

In accordance with Article 728a para. 1 item 3 Code of Obligations (CO) and PS-CH 890, Deloitte AG confirms that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

(e) Material changes and recent developments since the most recent annual financial Statements

There has been no material adverse change in the assets and liabilities or the financial condition of the Issuer since the reporting date of the financial statements for the business year 2022.

DESCRIPTION OF THE SECURITIES

This section includes a description of the types of Securities which may be issued under this Base Prospectus. The products that may be issued under this Base Prospectus are generically referred to as Securities without expressing any views as to their particular features, mechanics or legal qualification. The main categories of Securities that may be issued under this Base Prospectus are set out below.

The below listed product categories and product features related to Warrants and Structured Products are based on the categories and additional product features used in the categorization model of the “SSPA Swiss Derivatives Map 2023” issued by the Swiss Structured Products Association SSPA (“SSPA”) (see <https://sspa.ch/en>). The product categories and products features are not universal and, in different markets and jurisdictions, different products categories and product features may be used for the same Securities. For additional information and a more detailed explanation of the Securities, including calculation examples, investors should consult the website www.sspa.ch/en (or any successor or replacement address thereto). Investors further should be aware that the SSPA categorization model may be changed from time to time by the SSPA without further notice. The Issuer has no obligation to update or supplement this Base Prospectus in case of such a change in the SSPA categorization model.

The below listed product categories related to the Fixed Income Products provide the most common type of debt instruments which has been developed and can be offered under this Base Prospectus. Similar to the Warrants and Structured Products the product categories linked to Fixed Income Products are not universal and, in different markets, different products categories and product features may be used for the same Securities.

Each Security issued under this Base Prospectus may be linked to one or more Underlying Assets, such as a Share (including ADRs / GDRs), an Index, a Foreign Exchange Rate (including Currency Swap Rates), a Precious Metal, a Commodity, an Interest Rate or a Swap Rate (including Currency-, Interest-, Equity-Swap Rate), a Non-Equity Security (including Bonds and Structured Products), a Fund Share (including Exchange Traded Funds), a Futures or a Listed Option Contract, an Over-The-Counter Derivative Contract, a Crypto Currency, a Reference Rate, a Reference Entity (including the related Reference Obligation) or a derivative transaction concerning a Reference Entity (including Credit Default Swap), or any multiple or combination thereof or other asset as well as a Basket or Portfolio comprising a combination of the aforementioned assets (the “Underlying Asset” or “Underlying”). The performance of the Securities may depend to some degree on the performance of such Underlying Asset.

The Securities may give the Securityholders the right to receive cash payments or physical delivery of Underlying Assets. The calculation of the cash amount or the determination of the physical delivery is normally dependent on the performance of the Underlying during the Security’s term. As a result, the economic value of a Security is related to the economic value of its Underlying. The terms of a specific Security may also contain provisions whereby the term is ended immediately if the Underlying reaches a particular Trigger Level (i.e. Barrier Level) or may be issued without a fixed term (e.g. Open-End Securities).

Securities issued under this Base Prospectus may have characteristics which partially or significantly deviate from those of the main product categories described in the following. The Issuer may issue Securities under this Base Prospectus with characteristics, which deviate from those described in the following paragraphs and the Securities that may be issued under this Base Prospectus may have other or additional features and may be modified, in each case as set out in the relevant Final Terms. Additional information on the Securities, including a description of the particular Securities will be included in the relevant Final Terms.

Categories of Securities related to Warrants and Structured Products

(a) Capital Protection Products (SSPA Category 11)

Capital Protection Note with Participation (SSPA Category 1100)
Capital Protection Note with Barrier (SSPA Category 1130)
Capital Protection Note with Twin-Win (SSPA Category 1135)
Capital Protection Note with Coupon (SSPA Category 1140)

(b) Yield Enhancement Products (SSPA Category 12)

Discount Certificate (SSPA Category 1200)
Barrier Discount Certificate (SSPA Category 1210)
Reverse Convertible (SSPA Category 1220)
Barrier Reverse Convertible (SSPA Category 1230)
Conditional Coupon Reverse Convertible (SSPA Category 1255)
Conditional Coupon Barrier Reverse Convertible (SSPA Category 1260)

(c) Participation Products (SSPA Category 13)

Tracker Certificate (SSPA Category 1300)
Outperformance Certificate (SSPA Category 1310)
Bonus Certificate (SSPA Category 1320)
Bonus Outperformance Certificate (SSPA Category 1330)
Twin-Win Certificate (SSPA Category 1340)

(d) Investment Products with Additional Credit Risk (SSPA Category 14)

Credit linked Notes (SSPA Category 1400)
Conditional Capital Protection Note with Additional Credit Risk (SSPA Category 1410)
Yield Enhancement Certificate with Additional Credit Risk (SSPA Category 1420)
Participation Certificate with Additional Credit Risk (SSPA Category 1430)

(e) Leverage Products (SSPA Category 21)

Warrant (SSPA Category 2100)
Spread Warrant (SSPA Category 2110)
Warrant with Knock-Out (SSPA Category 2200)
Mini-Future (SSPA Category 2210)
Constant Leverage Certificate (SSPA Category 2300)

Categories of Securities related Fixed Income Products

(a) Fixed Income Rate Products

Fixed Rate Notes

Step Up/Down Notes

(b) Floating Income Rate Products

Floating Rate Notes
Inverse Floating Rate Notes
Fix-to-Floating Rate Notes

(c) Zero Income Rate Products

Zero Coupon Notes

(d) Inflation Protected Income Products

Inflation Index-linked Notes

(e) Structured Income Products

Range Accrual Notes
Annuity Notes
Spread-Linked Notes
Spread Range Accrual Notes

Description of Categories of Securities related to Warrants and Structured Products

(a) Capital Protection Products (SSPA Category 11)

“**Capital Protection Products**” are primarily targeted at investors that (i) expect the value of the Underlying Asset to increase (or, in the case of Capital Protection Products with a bear feature, to decrease) but (ii) cannot exclude a sharp decrease (or, in the case of Capital Protection Products with a bear feature, a sharp increase) of the value of the Underlying Asset throughout the term of the Capital Protection Products.

Capital Protection Products provide for a specific minimum redemption amount. The level of the minimum redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the Capital Protection Product that the investor will be entitled to at the final redemption date. It is set by the Issuer at the time of the issuance and it applies only at the end of the term or at maturity. The Issuer may set the level of the minimum redemption amount representing the level of capital protection below 100% of the nominal or par value of the Capital Protection Products (partial capital protection). Capital protection therefore does not mean that the investor is entitled to a redemption amount equal to the full nominal or par value of the Capital Protection Products. The potential loss is limited by the minimum redemption amount, subject to the credit risk of the Issuer.

The Capital Protection Products may provide for cash or physical settlement and they may provide for a return that is depending on the performance of a basket of Underlying Assets.

The product category Capital Protection Products includes the following product types:

Capital Protection Note with Participation (SSPA Category 1100)

“**Capital Protection Notes with Participation**” are primarily targeted at investors that (i) expect the value of the Underlying Asset and its volatility to increase (or, in the case of Capital Protection Notes with Participation with a bear feature, the value of the Underlying Asset to decrease) but (ii) consider a sharp decrease of the value of the Underlying Asset to be possible (or, in the case of Capital Protection Notes with Participation with a bear feature, a sharp increase of the value of the Underlying Asset).

Capital Protection Notes with Participation allow investors to participate in the performance of the Underlying Asset. If the performance is negative or zero (or, in the case of a Capital Protection Notes with Participation with a bear feature, if the performance is positive), the investor will receive the capital protection amount. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset has increased or, in case of Capital Protection Notes with Participation with a bear feature, has decreased), the return will exceed the minimum redemption amount of the Capital Protection Notes with Participation.

Capital Protection Note with Barrier (SSPA Category 1130)

“**Capital Protection Notes with Barrier**” are primarily targeted at investors that (i) expect the value of the Underlying Asset to increase (or, in the case of Capital Protection Notes with Barrier with a bear feature the value of the Underlying Asset to decrease) but (ii) consider a sharp decrease of the value of the Underlying Asset to be possible (or, in the case of Capital Protection Notes with Barrier with a bear feature, a sharp increase of the value of the Underlying Asset) and (iii) expect that the value of the Underlying Asset will not increase above (or, in case of Capital Protection Notes with Barrier with a bear feature, fall below) the specified barrier throughout the term of the Capital Protection Notes with Barrier.

Capital Protection Notes with Barrier allow investors to participate in the performance of the Underlying Asset up (or, in case of Capital Protection Notes with Barrier with a bear feature, down) to such barrier. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset has increased or, in case of Capital Protection Notes with Barrier with a bear feature, decreased), the return will exceed the minimum redemption amount of the Capital Protection Notes with Barrier but is limited by the level of the specified barrier. In case of a breach of such barrier, the redemption amount will be reduced but be at least equal to the minimum redemption amount.

Capital Protection Note with Twin-Win (SSPA Category 1135)

“**Capital Protection Notes with Twin-Win**” are primarily targeted at investors that (i) expect the value of the Underlying Asset to slightly increase or fall but (ii) consider a sharp decrease of the value of the Underlying Asset to be possible and (iii) expect that the value of the Underlying Asset will not increase above a specified upper barrier and not fall below a specified lower barrier throughout the term of the Capital Protection Notes with Twin-Win.

Capital Protection Notes with Twin-Win allow investors to participate in the absolute performance (positive as well as negative performance) of the Underlying Asset within the upper and lower barrier. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset has increased or decreased but not breached either of the barriers), the return will exceed the minimum redemption amount of the Capital Protection Notes with Twin-Win but is limited by the

level of the upper and lower barrier, respectively. In case of a breach of a barrier, the redemption amount will be reduced but be at least equal to the minimum redemption amount.

Capital Protection Note with Coupon (SSPA Category 1140)

“**Capital Protection Notes with Coupon**” are primarily targeted at investors that (i) expect the value of the Underlying Asset to increase (or, in the case of Capital Protection Notes with Coupon with a bear feature, the value of the Underlying Asset to decrease) but (ii) consider a sharp decrease of the value of the Underlying Asset to be possible (or, in the case of Capital Protection Notes with Coupon with a bear feature, a sharp increase of the value of the Underlying Asset).

Capital Protection Notes with Coupon allow investors to participate in the performance of the Underlying Asset by receiving a periodic coupon payment. The amount of the coupon payment may be fixed or may be variable or conditional and depend on the value of the Underlying Asset at a specific date prior to each coupon payment date (variable coupon). In case of a variable coupon, the amount of the coupon payment increases (or, in case of Capital Protection Notes with Coupon with a bear feature, decreases) if the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset has increased or, in case of Capital Protection Notes with Coupon with a bear feature, has decreased). In case of Capital Protection Notes with conditional Coupon, the payment of the coupon depends on the value of the Underlying Asset not breaching a specified barrier (coupon at risk). If such barrier is breached, the investor will not be entitled to a coupon payment on the relevant coupon payment date.

(b) Yield Enhancement Products (SSPA Category 12)

“**Yield Enhancement Products**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to move sideways or to slightly increase (or, in the case of Yield Enhancement Products with a bear feature, to move sideways or to slightly decrease) and (ii) the volatility of the Underlying Asset to decrease, in each case, throughout the term of the Yield Enhancement Products.

Yield Enhancement Products provide for a redemption amount that is limited to a maximum amount (cap) and may provide for (fixed or variable) periodic coupon payments during the term.

Yield Enhancement Products may be linked to several Underlying Assets and may therefore offer a larger discount or coupon than Yield Enhancement Products linked to just one Underlying Asset.

Discount Certificate (SSPA Category 1200)

“**Discount Certificates**” are primarily targeted at investors that expect the value of the Underlying Asset to move sideways or to slightly increase (or, in the case of Discount Certificates with a bear feature to move sideways or to slightly decrease), with falling volatility.

Discount Certificates are issued at a discount, i.e., a discount compared to a direct investment in the Underlying Asset. The redemption amount depends on the value of the Underlying Asset at redemption. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset at redemption is above or, in case of Discount Certificates with a bear feature, below) the specified strike price (typically the initial value of the Underlying Asset), the redemption amount will generally be equal to the denomination of the Discount Certificates.

If the Discount Certificate provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

Barrier Discount Certificate (SSPA Category 1210)

“**Barrier Discount Certificates**” are primarily targeted at investors that expect the value of the Underlying Asset (i) to move sideways or to slightly increase (or, in the case of Barrier Discount Certificates with a bear feature, to move sideways or to slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of Barrier Discount Certificates with a bear feature, rise above) the specified barrier throughout the term of the Barrier Discount Certificates.

Barrier Discount Certificates are issued at a discount, i.e., a discount compared to a direct investment in the Underlying Asset and provide for a conditional minimum redemption amount (i.e., the redemption amount is at least equal to 100% of the nominal or par value of the Barrier Discount Certificates if the specified barrier is not breached during the term of the Barrier Discount Certificates).

If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset did not fall below or, in case of Barrier Discount Certificates with a bear feature, rise above) the specified barrier throughout the term of the Barrier Discount Certificates or, if the barrier is breached, the value of the Underlying Asset at redemption is at or above (or, in case of Barrier Discount Certificates with a bear feature, below) the specified strike price (typically the initial value of the Underlying Asset), the redemption amount will generally be equal to the denomination of the Barrier Discount Certificates.

In contrast to Discount Certificates (1200), the probability of receiving the maximum redemption amount under Barrier Discount Certificates is higher due to the conditional protection provided by the barrier, although the discount at which they are issued is generally smaller and therefore the return on an investment in Barrier Discount Certificate generally lower.

If the Barrier Discount Certificate provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

Reverse Convertible (SSPA Category 1220)

“**Reverse Convertibles**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to move sideways or to slightly increase (or, in the case of Reverse Convertibles with a bear feature to move sideways or to slightly decrease) and (ii) falling volatility.

Reverse Convertibles allow investors to benefit from an enhanced return by receiving a coupon payment on the relevant coupon payment dates. The redemption amount depends on the value of the Underlying Asset at the end of the term of the Reverse Convertibles. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset at redemption is above (or, in case of Reverse Convertibles with a bear feature, below) the specified strike price (typically the initial value of the Underlying Asset)), the redemption amount will generally be equal to denomination of the Reverse Convertibles. In case of an exercise of the Reverse Convertibles, the investor receives a redemption amount linked to the performance of the Underlying Asset. This amount may be significantly less than the invested amount.

If the Reverse Convertible provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

The coupon payment is independent of the performance of the Underlying Asset.

Barrier Reverse Convertible (SSPA Category 1230)

“**Barrier Reverse Convertibles**” are primarily targeted at investors that expect the value of the Underlying Asset (i) to move sideways or to slightly increase (or, in the case of Barrier Reverse Convertibles with a bear feature, to move sideways or to slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of Barrier Reverse Convertibles with a bear feature, rise above) the specified barrier throughout the term of the Barrier Reverse Convertibles.

Barrier Reverse Convertibles allow investors to benefit from an enhanced return by receiving a periodic coupon payment and provide for a conditional minimum redemption amount at the end of the term of the Barrier Reverse Convertibles (i.e., the redemption amount is generally equal to 100% of the denomination of the Barrier Reverse Convertibles if the specified barrier is not breached during the term of the Barrier Reverse Convertibles).

If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset did not fall below or, in case of Barrier Reverse Convertibles with a bear feature, rise above) the specified barrier throughout the term of the Barrier Reverse Convertibles or, if the barrier is breached, the value of the Underlying Asset at redemption is at or above (or, in case of Barrier Reverse Convertibles with a bear feature, below) the specified strike price (typically the initial value of the Underlying Asset), the redemption amount will generally be equal to the denomination of the Barrier Reverse Convertibles. In case of an exercise of the Barrier Reverse Convertibles, the investor receives a redemption amount linked to the performance of the Underlying Asset. This amount may be significantly less than the invested amount.

If the Barrier Reverse Convertible provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

The coupon payment is independent of the performance of the Underlying Asset.

Compared to the Reverse Convertibles (SSPA Category 1220), the probability of receiving the maximum redemption amount under Barrier Reverse Convertibles is higher due to the conditional principal protection provided by the barrier, although the annualized coupon rate and therefore the return on an investment in the Barrier Reverse Convertibles is generally lower.

Conditional Coupon Reverse Convertible (SSPA Category 1255)

“**Conditional Coupon Reverse Convertibles**” are primarily targeted at investors that expect the value of the Underlying Asset to increase or to slightly increase (or, in the case of Conditional Coupon Reverse Convertibles with a bear feature, to decrease or slightly decrease), with falling volatility.

Conditional Coupon Reverse Convertibles typically provide for one or more coupon payments in respect of one or more coupon observation dates on which the value of the Underlying Asset is

observed. If the value of the Underlying Asset has increased (or in the case of Conditional Coupon Reverse Convertibles with a bear feature, decreased) to a specified threshold, investors are entitled to a coupon payment in respect of such coupon observation date.

If the value of the Underlying Asset has increased and it exceeds (or, in case of Conditional Coupon Reverse Convertibles with a bear feature, has decreased and falls below) a specified autocall trigger level, if available, the Conditional Coupon Reverse Convertibles are redeemed early on the relevant autocall trigger date and investors are entitled to an early redemption amount generally equal to the denomination of the Conditional Coupon Reverse Convertibles plus a coupon. In case of an exercise of the Conditional Coupon Reverse Convertibles, the investor receives a redemption amount linked to the performance of the Underlying Asset. This amount may be significantly less than the invested amount.

If the Conditional Coupon Reverse Convertibles provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

Conditional Coupon Barrier Reverse Convertible (SSPA Category 1260)

“**Conditional Coupon Barrier Reverse Convertibles**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to increase or to slightly increase (or, in the case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, to decrease or slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, rise above) the specified barrier throughout the term of the Conditional Coupon Barrier Reverse Convertibles.

Conditional Coupon Barrier Reverse Convertibles typically provide for one or more coupon payments in respect of one or more coupon observation dates on which the value of the Underlying Asset is observed. If the value of the Underlying Asset has increased (or in the case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, decreased) to a specified threshold, investors are entitled to a coupon payment in respect of such coupon observation date.

If the value of the Underlying Asset has increased and exceeds (or, in case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, has decreased and falls below) a specified autocall trigger level, if available, the Conditional Coupon Barrier Reverse Convertibles are redeemed early on the relevant autocall trigger date and investors are entitled to an early redemption amount generally equal the denomination of the Conditional Coupon Barrier Reverse Convertibles plus a coupon.

Conditional Coupon Barrier Reverse Convertibles provide for a conditional minimum redemption amount at the end of the term of the Conditional Coupon Barrier Reverse Convertibles (i.e., 100% of the denomination of the Conditional Coupon Barrier Reverse Convertibles) if the specified barrier is not breached during the term of the Conditional Coupon Barrier Reverse Convertibles.

If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset did not fall below (or, in case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, rise above) the specified barrier throughout the term of the Conditional Coupon Barrier Reverse Convertibles or, if the barrier is breached, the value of the Underlying Asset at redemption is at or above (or, in case of Conditional Coupon Barrier Reverse Convertibles with a bear feature, below) the specified strike price (typically the initial value of the Underlying Asset)), the redemption

amount will at least be equal to 100% of the nominal or par value of the Conditional Coupon Barrier Reverse Convertibles. Otherwise, redemption amount will take into account the performance of the Underlying Asset. This amount is generally less than the invested amount.

If the Conditional Coupon Barrier Reverse Convertibles provides for physical settlement, investors receive a redemption amount in the Security settlement currency (no exercise) or the delivery of the Underlying Asset (exercise) depending on the performance of the Underlying Asset.

(c) *Participation Products (SSPA Category 13)*

“**Participation Products**” are primarily targeted at investors (i) that expect the value of the Underlying Asset to increase (or, in the case of Participation Products with a bear feature, to decrease), (ii) but are unwilling or unable to make an investment in the amount required for a direct investment achieving the desired participation in the development of the value of the Underlying Asset.

Participation Products generally track the performance of the Underlying Asset and enable investors to participate in the performance of the Underlying Asset. Depending on the structure of the Participation Product, investors participate proportionate or disproportionate in the performance of the Underlying Asset. The profit an investor may achieve by investing in a Participation Product is theoretically unlimited, (unless the Participation Product contains a cap), on the other hand the investor is subject to the risk of a total loss.

Tracker Certificate (SSPA Category 1300)

“**Tracker Certificates**” are primarily targeted at investors that expect the value of the Underlying Asset to increase (or, in the case of Tracker Certificates with a bear feature, to decrease). Tracker Certificates allow an investor to participate in the performance of one or more Underlying Asset, which can be equally or unequally weighted. The profit and loss potential of the Tracker Certificates corresponds largely to that of the Underlying Assets and is (theoretically) not limited, unless there is a cap or partial capital protection.

Outperformance Certificate (SSPA Category 1310)

“**Outperformance Certificates**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to increase (or, in the case of Outperformance Certificates with a bear feature, to decrease) and (ii) the volatility to increase.

Outperformance Certificates allow the investors to participate in the performance of the Underlying Asset. The investors participate with an increased participation factor resulting in a disproportionate participation rate in the positive performance of the Underlying Asset above the strike price (or, in case of an Outperformance Certificate with a bear feature, in the negative performance of the Underlying Asset below the strike price). The Outperformance Certificates may provide for a limit on the achievable profits (cap). The loss potential of the Outperformance Certificates corresponds largely to that of the Underlying Asset and there is the risk of a total loss, unless there is a partial capital protection.

Bonus Certificates (SSPA Category 1320)

“**Bonus Certificates**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to move sideways or to increase (or, in the case of Bonus Certificates with a bear feature, to

move sideways or to decrease) and (ii) the Underlying Asset not to breach the defined barrier throughout the term of the Bonus Certificates.

Bonus Certificates allow the investor to participate in the performance of Underlying Asset and provide for a conditional minimum redemption amount at the end of the term of the Bonus Certificates.

If the specified barrier is not breached during the term of the Bonus Certificate, the investors will receive at least the minimum redemption amount and the potential profit corresponds largely to that of the Underlying Assets and is not limited (unless the Bonus Certificates contain a cap). If the specified barrier is breached, the Bonus Certificates change into Tracker Certificates, with no capital protection. The loss potential then corresponds largely to that of the Underlying Asset and there is the risk of a total loss, unless there is a partial capital protection.

If the Bonus Certificate provides for physical settlement, investors receive a redemption amount in the settlement currency or the delivery of the Underlying Asset depending on the performance of the Underlying Asset.

Bonus Outperformance Certificate (SSPA Category 1330)

“**Bonus Outperformance Certificates**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to increase (or, in the case of Bonus Outperformance Certificates with a bear feature, to decrease) and (ii) the Underlying Asset not breach the specified barrier throughout the term of the Bonus Outperformance Certificates.

Bonus Outperformance Certificates allow the investor to participate in the performance of the Underlying Asset and provide for a conditional minimum redemption amount at the end of the term of the Bonus Outperformance Certificates.

If the specified barrier is not breached during the term of the Bonus Outperformance Certificate, the investors will receive at least the minimum redemption amount.

The investor participates with an increased participation factor resulting in a disproportionate participation rate in the positive performance of the Underlying Asset above the strike price (or, in case of a Bonus Outperformance Certificate with a bear feature, in the negative performance of the Underlying Asset below the strike price) and the potential profit is not limited (unless the Bonus Outperformance Certificates contain a cap).

If the specified barrier is breached during the term of the Bonus Outperformance Certificates, the Bonus Outperformance Certificates change into Outperformance Certificates, with no capital protection. The loss potential then corresponds largely to that of the Underlying Asset and there is the risk of a total loss, unless there is a partial capital protection.

If the Bonus Outperformance Certificate provides for physical settlement, investors receive a redemption amount in the settlement currency or the delivery of the Underlying Asset depending on the performance of the Underlying Asset.

Twin-Win Certificate (SSPA Category 1340)

“**Twin-Win Certificates**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to increase or to slightly decrease (or, in the case of Twin-Win Certificates with a bear feature, to decrease or slightly increase) and (ii) the Underlying Asset not to breach the defined barrier throughout the term of the Twin-Win Certificates.

Twin-Win Certificates allow the investor to participate in the performance of the Underlying Asset. Profits are possible with both an increasing and slightly decreasing value of the Underlying Asset (or, in the case of Twin-Win Certificates with a bear feature decreasing or slightly increasing value of the Underlying Asset).

If the value of the Underlying Asset increases above the strike price, the value of the Twin-Win Certificates and the profit corresponds largely to that of the Underlying Asset and the potential profit is not limited (unless the Twin-Win Certificates contain a cap).

If the value of the Underlying Asset is below the strike price, but the value of the Underlying Asset did not breach the barrier throughout the term of the Twin-Win Certificates, then the negative performance of the Underlying Asset is converted into corresponding profits for investors in the Twin-Win Certificates.

Twin-Win Certificates provide for a conditional minimum redemption amount. The level of the minimum redemption amount representing the level of partial capital protection indicates the percentage of the nominal or par value of the Twin-Win Certificates that the investors will be entitled to at the final redemption date, provided the barrier is not breached.

If the barrier is breached, the Twin-Win Certificates change into Tracker Certificates and the loss potential then corresponds largely to that of the Underlying Asset and there is the risk of a total loss, unless there is a partial capital protection.

(d) Investment Products with Additional Credit Risk (SSPA Category 14)

In addition to the features of the corresponding Capital Protection Products, Yield Enhancement Products or Participation Products on which they are based, “**Investment Products with Additional Credit Risk**” are also affected by the occurrence of a defined credit event in respect of a reference entity or reference obligation. If a credit event occurs in respect of a reference entity or reference obligation during the term of the Investment Products with Additional Credit Risk, they will be redeemed at a value, which may be significantly below their initial value and as low as zero and investors will make a partial or total loss.

If no credit event occurs, Investment Products with Additional Credit Risk work in the same manner as the corresponding Capital Protection Product, Yield Enhancement Product or Participation Product on which they are based.

Credit Linked Notes (SSPA Category 1400)

“Credit Linked Notes” are primarily targeted at investors that expect that no credit event to occur with regard to a reference entity or reference obligation.

Generally, if during the term of a Credit Linked Note a credit event or a credit redemption event in respect of the relevant reference entity or reference entities occurs, further coupon payments and

the repayment of the entire or part of the redemption amount are jeopardized as specified in the applicable Terms & Conditions of the respective Credit Linked Note (early redemption). In such case the amount investors receive may be significantly below the initial invested amount and as low as zero and investors will make a partial or total loss. Therefore, in particular, the solvency of a specific reference entity is decisive.

Generally, if during the term of a Credit Linked Note no credit event or credit redemption event occurs in respect of the relevant reference entity resp. reference entities, Credit Linked Notes generally provide for a defined scheduled redemption amount equal to a certain percentage of the relevant outstanding principal amount specified in the applicable Terms & Conditions, which investors in the Credit Linked Notes will receive on the defined scheduled maturity date, provided that the Credit Linked Notes are not redeemed prior to the scheduled maturity date.

Conditional Capital Protection Note with Additional Credit Risk (SSPA Category 1410)

“**Conditional Capital Protection Notes with Additional Credit Risk**” are primarily targeted at investors that (i) expect the value of the Underlying Asset to increase (or, in the case of Conditional Capital Protection Notes with Additional Credit Risk with a bear feature, to decrease), (ii) consider a sharp decrease of the value of the Underlying Asset to be possible (or, in the case of Conditional Capital Protection Notes with Additional Credit Risk with a bear feature, a sharp increase of the value of the Underlying Asset) and (iii) and expect no credit event to occur with regard to a reference entity or reference obligation.

Conditional Capital Protection Notes with Additional Credit Risk may have one or more underlying reference entities or reference obligations. If during the term of the Conditional Capital Protection Notes with Additional Credit Risk no credit event occurs in respect of the reference entity or reference obligation, investors will participate in the performance of the Underlying Asset. If the value of the Underlying Asset has developed favourably (i.e., if the value of the Underlying Asset has increased or, in case of Conditional Capital Protection Notes with Additional Credit Risk with a bear feature, decreased), the return will exceed the minimum redemption amount of the Conditional Capital Protection Notes with Additional Credit Risk. Therefore, if no credit event occurs, Conditional Capital Protection Notes with Additional Credit Risk work in the same manner as the corresponding Capital Protection Product on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the Conditional Capital Protection Notes with Additional Credit Risk, the investors lose the capital protection and the Conditional Capital Protection Notes with Additional Credit Risk will be redeemed at a value, which may be significantly below initial invested nominal amount of the investors and as low as zero and investors will make a partial or total loss.

Yield Enhancement Certificate with Additional Credit Risk (SSPA Category 1420)

“**Yield Enhancement Certificates with Additional Credit Risk**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to move sideways or to slightly increase (or, in the case of Yield Enhancement Certificates with Additional Credit Risk with a bear feature to move sideways or to slightly decrease), with falling volatility, and (ii) no credit event to occur with regard to a reference entity or reference obligation.

Yield Enhancement Certificates with Additional Credit Risk may have one or more underlying reference entities or reference obligations. If during the term of the Yield Enhancement Certificates

with Additional Credit Risk no credit event occurs in respect of the reference entity or reference obligation, investors will receive a coupon or a discount and the Yield Enhancement Certificates with Additional Credit Risk will work in the same manner as the corresponding Yield Enhancement Product on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the Yield Enhancement Certificates with Additional Credit Risk, they will be redeemed at a value, which may be significantly below the initial invested nominal amount of the Investors and as low as zero and investors will make a partial or total loss.

Participation Certificate with Additional Credit Risk (SSPA Category 1430)

“**Participation Certificates with Additional Credit Risk**” are primarily targeted at investors that expect (i) the value of the Underlying Asset to increase (or, in the case of Participation Certificates with Additional Credit Risk with a bear feature, to decrease) and (ii) no credit event to occur with regard to a reference entity or reference obligation.

Participation Certificates with Additional Credit Risk may have one or more underlying reference entities or reference obligations. If during the term of the Participation Certificates with Additional Credit Risk no credit event occurs in respect of the reference entity or reference obligation, investors will participate in the performance the Underlying Asset in the same manner as the corresponding Participation Product on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the Participation Certificates with Additional Credit Risk, they will be redeemed at a value, which may be significantly below the initial invested nominal amount of the investors and as low as zero and investors will make a partial or total loss.

(e) *Leverage Products (SSPA Category 21)*

“**Leverage Products**” are subject to a leverage effect both in the direction of profits and losses, i.e., changes in the value of the Underlying Asset have a disproportionate effect on the value of Leveraged Products compared to a direct investment in the Underlying Asset. The leverage effect permits investors to use less capital compared to investing directly in the Underlying Asset.

Warrant (SSPA Category 2100)

“**Warrants**” with a call feature are primarily targeted at investors that expect the value of the Underlying Asset and the volatility to increase. Warrants with a put feature are primarily targeted at investors that expect the value of the Underlying Asset to decrease and volatility to increase. Warrants are therefore suitable for hedging and speculating purposes.

The essential attribute of Warrants is the leverage effect. The leverage effect causes the value of the Warrants to react proportionally more strongly to changes in the value of the Underlying Asset below or above the strike price, as applicable. The leverage is the result of the fact that the invested capital in the Warrants is much smaller compared to a direct investment in the Underlying Asset. Therefore, a smaller investment may generate a leveraged positive or negative performance relative to the Underlying Asset.

Spread Warrant (SSPA Category 2110)

“**Spread Warrants**” with a bull feature are primarily targeted at investors that expect the value of the Underlying Asset to increase. Spread Warrants with a bear feature are primarily targeted at investors that expect the value of the Underlying Asset to decrease.

Spread Warrants provide for a leverage effect, meaning the value of the Spread Warrants will react proportionally more strongly to changes in the value of the Underlying Asset below or above the related strike price, as applicable. The leverage is the result of the fact that the invested capital in the Spread Warrants is much smaller compared to a direct investment in the Underlying Asset. Therefore, a smaller investment may generate a leveraged positive or negative performance relative to the Underlying Asset.

The potential yield of an investment in Spread Warrants is limited, namely by the upper cap in the case of Spread Warrants with a bull feature and by the lower cap in the case of Spread Warrants with a bear feature. This means that an investor may benefit from an increase (in the case of bull feature) or a decrease (in the case of a bear feature) of the value of the Underlying Asset up to a maximum value at the lower or upper cap, as applicable.

Warrant with Knock-Out (SSPA Category 2200)

“**Warrants with Knock-Out**” and a call feature are primarily targeted at investors that expect the value of the Underlying Asset to increase. Warrants with Knock-Out and a put feature are primarily targeted at investors that expect the value of the Underlying Asset to decrease.

Warrants with Knock-Out provide for a leverage effect, meaning the value of the Warrants with Knock-Out will react proportionally more strongly to changes in the value of the Underlying Asset below or above the knock-out level, as applicable. The leverage is the result of the fact that the invested capital in the Warrants with Knock-Out is much smaller compared to a direct investment in the Underlying Asset. Therefore, a smaller investment may generate a leveraged positive or negative performance relative to the Underlying Asset. Volatility only has a minor effect on the value of Warrants with Knock-Out and also the loss of time value is marginal.

Mini-Future (SSPA Category 2210)

“**Mini Futures**” (long) are primarily targeted at investors that expect the value of the Underlying Asset to increase. Mini Futures (short) are primarily targeted at investors that expect the value of the Underlying Asset to decrease. Mini Futures are therefore suitable for hedging and speculating purposes.

Mini Futures provide for a leverage effect, meaning the value of the Mini Futures will react proportionally more strongly to changes in the value of the Underlying Asset below or above the stop-loss barrier level. The leverage effect is the result of the fact that the invested capital in the Mini Futures is much smaller compared to a direct investment in the Underlying Asset. Therefore, a smaller investment may generate a leveraged positive or negative performance relative to the Underlying Asset.

Constant-Leverage Certificate (SSPA Category 2300)

“**Constant Leverage Certificates**” (long) are primarily targeted at investors that expect the value of the Underlying Asset to increase. Constant Leverage Certificates (short) are primarily targeted at investors that expect the value of the Underlying Asset to decrease. Constant Leverage Certificates allow investors to make long term-leveraged investments in an Underlying Asset for which the risk and leverage effect are kept constant.

Constant Leverage Certificates provide for a leverage effect, meaning the value of the Constant Leverage Certificates will react proportionally more strongly to changes in the value of the Underlying Asset. The leverage effect is the result of the fact that the invested capital in the Constant Leverage Certificates is much smaller compared to a direct investment in the Underlying Asset. Therefore, a smaller investment may generate a leveraged positive or negative performance relative to the Underlying Asset. Unlike other Leverage Products, the leverage effect of Constant Leverage Certificates remains constant. A regular resetting mechanism under which the performance of the Underlying Asset is mirrored with a defined leverage factor (i.e., a constant leverage of, for example, 10), ensures that the leverage effect remains constant.

Description of Categories of Securities related to Fixed Income Products

(a) Fixed Income Rate Product

“**Fixed Income Rate Products**” are primarily targeted at investors that want to receive a fixed annual Interest Rate (also called Coupon Rate) but do not want to set the invested principal amount on the Final Redemption Date at risk (without taking into consideration the Issuer Risk).

“**Fixed Rate Notes**” contain an Interest Rate on the basis of which the Interest (recurring) Payment Amount is/are calculated equals to a fixed rate per annum. Therefore, the potential return on a Fixed Rate Note is limited to positive difference between (i) the amount of all collected Interest Payment Amount(s), plus the Final Redemption Amount, and (ii) the Issue Price (or, if different, the price the relevant investor paid for the Fixed Rate Notes).

“**Step Up/Down Notes**” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amounts is calculated equals to a fixed rate per annum. Such fixed rate per annum will typically be a different fixed rate per annum for each Interest Payment Date, as set out in the applicable Final Terms. Therefore, the potential return on a Step Up/Down Notes is limited to the positive difference between (i) the amount of all the collected Interest Payment Amounts, plus the Final Redemption Amount, and (ii) the Issue Price (or, if different, the price the relevant investor paid for the Step Up/Down Notes).

(b) Floating Income Rate Product

“**Floating Income Rate Products**” are primarily targeted at investors that want to link the annual Interest Rate (also called Coupon Rate) to a defined (index) Reference Rate and therefore benefit from higher Coupon Payment Amount in case of a positive development of the Reference Rate and ready to set the Coupon Payment Amount at risk, but do not want to set the invested principal amount on the Final Redemption Date at risk (without taking into consideration the Issuer Risk).

“Floating Rate Notes” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amount(s) is calculated equals to a Reference Rate (i.e., a variable Interest Rate) on the relevant Interest Determination Date or, if specified in the applicable Final Terms, will be equal to the sum of the Reference Rate on the relevant Interest Determination Date and the fixed rate (spread) per annum specified in the applicable Final Terms. As the Reference Rate is subject to fluctuations, the Interest Payment Amount(s) payable in respect of Floating Rate Notes is/are uncertain and may be substantially lower than the interest payment amount that would be payable under conventional fixed rate debt securities of the Issuer with a comparable term.

If defined in the corresponding Final Terms, in order to determine the variable Interest Rate, the difference between the values of Reference Rates will be either (i) multiplied by a factor, which is a multiplier with the value specified in the applicable Final Terms, and/or (ii) added to a fixed rate (spread) per annum specified in the applicable Final Terms. In addition, if defined in the corresponding Final Terms, the Floating Rate Notes may also provide for the application of a Minimum Interest Rate and/or Maximum Interest Rate in respect of the Interest Payment Date, for which a variable Interest Rate is applicable.

“Inverse Floating Rate Notes” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amount(s) is calculated equals to a variable Interest Rate. Such variable Interest Rate will be equal to the relevant Spread Rate (i.e., a fixed rate per annum specified in the applicable Final Terms) less the Reference Rate (i.e., a variable rate of interest) on the relevant Interest Determination Date or, if so specified in the applicable Final Terms, less the sum of the Reference Rate on the relevant Interest Determination Date and the fixed rate (spread) per annum specified in the Final Terms. Consequently, the lower the value of the Reference Rate on the relevant Interest Determination Date (if applicable, plus the fixed rate (spread) per annum specified in the applicable Terms & Conditions) is in comparison to the value of the Spread Rate, the higher the applicable Interest Rate. Conversely, the higher the value of the Reference Rate on the Interest Determination Date is (if applicable, plus the fixed rate (spread) per annum specified in the applicable Final Terms), the lower the applicable Interest Rate.

If the value of the Reference Rate on each Interest Determination Date (if applicable, plus the fixed rate (spread) per annum specified in the applicable Final Terms) is equal to or above the relevant Spread Rate (i.e. if the difference between the relevant Spread Rate and the Reference Rate (if applicable, plus the fixed rate (spread) per annum specified in the applicable Final Terms) is equal to zero or a negative amount), the applicable Interest Rate and resulting Interest Payment Amount for each Interest Payment Date will be zero, or even negative in case of no floored Interest Payment Amount at zero,

“Fix-to-Floating Rate Notes” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated equals to a fixed rate per annum for one or more of the initial Interest Payment Dates. During the term of the Fixed to Floating Rate Notes, the applicable fixed Interest Rate will be switched to a variable Interest Rate. On each Interest Payment Date on which a variable rate of interest is applicable, such variable rate will be equal to the Reference Rate on the relevant Interest Determination Date or, if specified in the applicable Final Terms, will be equal to the sum of the Reference Rate on the relevant Interest Determination Date and the fixed rate (spread) per annum specified in the applicable Final Terms. As the Reference Rate is subject to fluctuations, the Interest Payment Amount(s) payable in respect of Fixed to Floating Rate Notes on the relevant Interest Payment Dates is/are uncertain and may be substantially lower than the interest payment amounts that would be payable under conventional fixed rate debt securities of the Issuer with a comparable term.

If defined in the corresponding Final Terms, in order to determine the variable Interest Rate, the difference between the values of Reference Rates will be either (i) multiplied by a factor, which is a

multiplier with the value specified in the applicable Final Terms, and/or (ii) added to a fixed rate (spread) per annum specified in the applicable Final Terms. In addition, if defined in the corresponding Final Terms, the Floating Rate Notes may also provide for the application of a Minimum Interest Rate and/or Maximum Interest Rate in respect of the Interest Payment Date, for which a variable Interest Rate is applicable.

(c) Zero Income Rate Product

“**Zero Income Rate Products**” are primarily targeted at investors that do not want an annual Interest Rate (also called Coupon Rate) and ready to receive the return of the Notes completely from the price appreciation over the term of the Securities only, but do not want to set the invested principal amount on the Final Redemption Date at risk (without taking into consideration the Issuer Risk).

“**Zero Coupon Notes**” does not contain an Interest Payment Amount but are typically issued at a discount to their Nominal Value. Instead of Interest Payment Amounts, the difference between the Final Redemption Amount and the Issue Price represents the interest income component and reflects the market interest rate. There are only two cash flows with arise on a Zero Coupon Note, the proceed at the Initial Payment Date or value date on the purchase date and the payment on the Final Redemption Date or on the value date of the selling date. With Zero Coupon Notes, the Income reinvestment risk is eliminated if the Notes are held to maturity as there are no coupons to reinvest. In some very particular cases (e.g. negative interest environment) the Zero Coupon Notes may not have any real discount component included (e.g. both the Issue Price and the Final Redemption Price equals to 100%).

(d) Inflation Protected Income Product

“**Inflation Protected Income Products**” are primarily targeted at investors that want to achieve a real capital maintenance and receive an annual Interest Rate (also called Coupon Rate), and in some cases also the principal invested amount, adjusted from an inflation index (Reference Index), but do not want to set the invested principal amount on the Final Redemption Date at risk (without taking into consideration the Issuer Risk).

“**Inflation Index-linked Notes**” contain, in contrast to common Fixed Income Products, a real variable Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated equals to a rate per annum adjusted to the corresponding Inflation. The inflation incurred after issuance can be offset in two different ways. The first possibility is that the variable Interest Rate is dependent upon the performance of a Reference Rate in the form of an Inflation Index, keeping the Notional Value of the Inflation Index-linked Notes constant. Alternatively, the Notional Amount resp. the Final Redemption Amount is continually indexed to the incurred inflation based on the performance of a Reference Rate in the form of an Inflation Index and the real Interest Rate are set as a percentage of this adjusted Notional Value. The performance of the Reference Rate in the form of the Inflation Index is measured by comparing its value for one Inflation Fixing Month to its value for another Inflation Fixing Month, as specified in the applicable Final Terms.

If defined in the corresponding Final Terms, in order to determine the variable Interest Rate, the difference between the values of Reference Rates will be either (i) multiplied by a factor, which is a multiplier with the value specified in the applicable Final Terms, and/or (ii) added to a fixed rate (spread) per annum specified in the applicable Final Terms. In addition, if defined in the corresponding Final Terms, the Floating Rate Notes may also provide for the application of a

Minimum Interest Rate and/or Maximum Interest Rate in respect of the Interest Payment Date, for which a variable Interest Rate is applicable.

If the Inflation Index stagnates or if the Inflation Index develops negatively with respect to an Interest Payment Date, the applicable Interest Rate may fall to zero.

(e) Structured Income Product

“**Structured Income Products**” are primarily targeted at investors that want more complex patterns related to the annual Interest rate and/or the principal amount for satisfying their needs and are able to take additional risks for the additional potential return. Normally these Notes are also redeemed at 100% (without taking into consideration the Issuer Risk) on the Final Redemption Date.

“**Range Accrual Notes**” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated dependent upon the number of Barrier Observation Dates during the relevant interest period on which the value of the Reference Rate (i.e., a variable rate of interest) breaches either (i) the one side Barrier Level or (ii) the Lower Barrier Level or Upper Barrier Level, as specified in the applicable Final Terms. A breach of the one side Barrier Level or of the Lower Barrier Level or Upper Barrier Level, as applicable, will be deemed to have occurred if the Reference Rate on an Observation Date is above or below (whichever is specified in the applicable Final Terms) the relevant Barrier Level. The relevant Interest Rate of Range Accrual Notes will then be determined by multiplying (i) the number of Barrier Observation Dates during the relevant interest period on which the one side Barrier Level was not, or the Lower Barrier Level or Upper Barrier Level were not, breached, divided by the total number of Barrier Observation Dates during the relevant interest period, by (ii) the fixed rate (spread) per annum specified in the applicable Final Terms. The smaller the number of Barrier Observation Dates on which the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached, the higher the applicable Interest Rate and resulting Interest Payment Amount will be. Conversely, the greater the number of Barrier Observation Dates on which the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached, the lower the applicable Interest Rate and resulting Interest Payment Amount will be. If the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached on each Barrier Observation Date, the applicable Interest Rate, and resulting Interest Payment Amount, will be zero.

“**Annuity Notes**” contain, in contrast to common Fixed Income Products, a constant Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated equals to a fixed rate per annum being interest and principal over the term of the Notes. In Effect the Interest Payment Amount comprise an increasing amount of principal redemption and a corresponding decreasing amount of interest.

“**Spread-Linked Notes**” contain an Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated equals to a variable Interest Rate. Such variable Interest Rate is determined by the difference between the values of two Reference Rates with two distinct maturity dates (i.e., the difference between two variable interest rates, e.g. 1 year interest rate vs. 10 year interest rate) on the corresponding Interest Observation Date. Consequently, the greater the positive difference between values of the two Reference Rates is, the higher the applicable Interest Rate and resulting Interest Payment Amount will be. If, however, the two Reference Rates converge or if the value of short term Reference Rate is above the value of long term Reference Rate, the applicable Interest Rate may be equal to zero. Depending on the actual difference between the values of the two Reference Rates, the applicable Interest Rate (and the resulting Interest Payment

Amount) may be very low even if both Reference Rates develop positively over the relevant Interest Period.

If defined in the corresponding Final Terms, in order to determine the variable Interest Rate, the difference between the values of Reference Rates will be either (i) multiplied by a factor, which is a multiplier with the value specified in the applicable Final Terms, and/or (ii) added to a fixed rate (spread) per annum specified in the applicable Final Terms. In addition, if defined in the corresponding Final Terms, the Floating Rate Notes may also provide for the application of a Minimum Interest Rate and/or Maximum Interest Rate in respect of the Interest Payment Date, for which a variable Interest Rate is applicable.

“**Spread Range Accrual Notes**” contain, in contrast to common Range Accrual Notes, an Interest Rate on the basis of which the (recurring) Interest Payment Amount is calculated dependent upon the number of Barrier Observation Dates during the relevant interest period on which the value of the variable Interest Rate breaches either (i) the one side Barrier Level or (ii) the Lower Barrier Level or Upper Barrier Level, as specified in the applicable Final Terms. Such variable Interest Rate is determined by the difference between the values of two Reference Rates with two distinct maturity dates (i.e., the difference between two variable interest rates, e.g. 1 year interest rate vs. 10 year interest rate) on the corresponding Interest Observation Date. Apart from the variable Interest Rate compared to the Reference Rate, the Spread Range Accrual Notes mirror the characteristics and functionalities of the Range Accrual Notes.

Consequently, not only is the relevant Interest Rate dependent upon the values of the two Reference Rates on the Interest Observation Date, but the smaller the number of Barrier Observation Dates on which the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached, the higher the applicable Interest Rate and resulting Interest Payment Amount will be. Conversely, the greater the number of Barrier Observation Dates on which the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached, the lower the applicable Interest Rate and resulting Interest Payment Amount will be. If the one side Barrier Level is, or the Lower Barrier Level or Upper Barrier Level are, breached on each Barrier Observation Date during the relevant Interest Period, the applicable Interest Rate, and the resulting Interest Payment Amount, will be zero.

Features of the Securities

Securities issued under this Base Prospectus may contain one or more of the following product features listed in the SSPA Swiss Derivatives Map 2023. The below list of product features is not exhaustive and a particular Security may have other product features not listed hereafter.

AMC	Actively Managed Certificates. These Securities are based on a dynamic strategy. The composition of the Underlying basket may be altered during the lifetime of the Security depending on the predefined investment guidelines (discretionary or rule based).
American Barrier	In contrast to the European Barrier, any time during the term of the Security is relevant for monitoring the barrier.
Asian Option	Uses the average Underlying Asset value over a number of predefined periods (monthly, quarterly, annually) rather than the price at a specific time.
Auto-Callable	If, on a callable observation day, the price of the Underlying Asset is either at or above (bull) or at or below (bear) a previously defined barrier (autocall trigger), the Security is automatically redeemed prior to maturity.

Barrier	Barriers denote a threshold for the price of the Underlying Asset. Breaching or failing to breach the barrier may change the Securities repayment conditions (payoff).
Bearish; with a bear feature	The Security benefits from falling prices of the Underlying Asset.
Best-of	The return of the Security depends on the performance of the best performing Underlying Asset. If a best-of scenario is triggered, the redemption amount or physical delivery is defined by the best performed Underlying Asset.
Bullish; with a bull feature	The Security benefits from rising prices of the Underlying Asset.
Callable	The Issuer has the right, but not the obligation, on specific dates to early terminate the Security before the official final redemption date.
Capped Participation	The Security has a maximum yield and a maximum redemption amount.
Conditional Coupon	A scenario exists where a specific coupon is not paid (coupon at risk) or an unpaid coupon can be recovered at a later coupon date (recovery coupon).
COSI	The Issuer of Collateral Secured Instruments provides SIX Swiss Exchange with collateral covering their current value. For the investor this means protection in case of issuer default.
European Barrier	Only the last-day closing price is relevant for monitoring the barrier level.
Floor or Capital Protection Amount	Represents a minimum amount which is redeemed at the Security's expiry, independent of the performance of the Underlying Asset.
Invers	The Security performs in inverse proportion to the Underlying Asset.
Knock-In/-Out Event	Is an event on a relevant valuation day, which causes a breach of a relevant barrier as defined in the Terms & Conditions of the Security.
Lock-in	If the lock-in event is occurred, the related minimum repayment amount is assigned regardless of future development of the Underlying Asset.
Look-back	Barrier level and/or strike price are set with a time delay (look-back phase).
Open-End	The Security does not have a predetermined fixed maturity.
Outperformance	Outperformance allow investors of the Security to participate disproportionately in the positive (or negative) performance of the Underlying Asset at expiry.
Partial Capital Protection	Capital protection is set below 100% as defined in the Terms & Conditions of the Security and normally the rate is between 90% and 100% of the nominal value.
Participation	This indicates the magnitude the Security is linked to the price performance of the Underlying Asset. This can be 1:1, over- or underproportional.
Physical delivery	At expiry, depending on the structure of the Security, there may be a physical delivery of the Underlying Asset, i.e. a transfer of the Underlying Asset to the investor's securities account.
Puttable	The investor has the right, but not the obligation, to return the Security on predefined conditions to the Issuer on specific dates during the Security's term.
Variable Coupon	The coupon amount can vary depending on a predefined scenario
Worst-of	The return of the Security depends on the performance of the worst performing Underlying Asset. If a worst-of scenario is triggered, the redemption amount or physical delivery is defined by the worst performed Underlying Asset.

GENERAL TERMS & CONDITIONS

The following General Terms & Conditions of the Securities must be read in their entirety together with the Final Terms that shall complete and put in concrete terms the following General Terms & Conditions for the purposes of the Securities. The Final Terms and this Base Prospectus together constitute the “Terms & Conditions” of the Securities.

The Final Terms in relation to any Tranche of Securities may specify other Terms & Conditions which shall to the extent so specified or to the extent inconsistent with the following General Terms & Conditions, replace or modify the following General Terms & Conditions for the purpose of such Tranche of Securities. In the event of any inconsistency between the General Terms & Conditions and the Final Terms, the Final Terms shall prevail.

1. Definitions

The following Definitions of individual terms (in alphabetical order) apply in principle to all Securities issued under this Base Prospectus and shall be read in conjunction with the Final Terms related to each Securities which may supplement them, replace them or modify them.

Further definitions – as set out in the Final Terms – may apply to individual Securities. In the event of any inconsistencies, the definitions, terms and meanings derived from the Final Terms have precedence. If a term is not defined in the list below or at any other place in this Base Prospectus nor in the Final Terms, it shall have the meaning in relation to a particular Security that is derived after taking into account (i) the Features of the respective Security type and (ii) any standard market practices that apply.

“**American Exercise**” or “**American Option**” has the meaning specified in Condition 14(a) “Exercise Style” of the General Terms & Conditions and refers to Securities (e.g. Warrants) that can be exercised on any Trading Day within the Exercise Period up to the specified time as stated in the relevant Final Terms.

“**Automatic Exercise**” means that, if applicable, Securities (e.g. Warrants) are exercised automatically on their Expiration Date or Final Fixing Date by the Issuer if they have an Intrinsic Value on Expiration Date or Final Fixing Date as specified in the Final Terms and according to Condition 14(b) “Automatic Exercise” of the General Terms & Conditions.

“**Automatic Redemption**” has the meaning specified in Condition 15(a) “Scheduled Redemption” of the General Terms & Conditions.

“**Barrier Level**” and/or “**Trigger Level**” or any other level has the meaning, if applicable, specified in the Final Terms.

“**Barrier Observation Period**” or “**Observation Period**” means the period of time as stated in the Final Terms and includes both, start and end date of the respective period. In cases where the Calculation Agent determines the Initial Fixing Level based on an observed intraday price at any time on the Initial Fixing Date, the barrier observation will start only after the Security has been fixed on that day. In addition, if the Security Final Fixing Level is to be determined at any time on the Final Fixing Date (observed price), the barrier observation will cease with the Calculation Agent’s fixing on that date.

“Base Currency” means (i) in relation to any currency or basket of currencies specified as Underlying the Securities, the Settlement Currency and (ii) in relation to an Underlying Contract, the first currency in the currency pair.

“Basket” means (if applicable) (i) in respect of a Share, the basket of Shares, as specified in the Final Terms, subject to adjustments; or (ii) in respect of an Index, the basket of Indices, as specified in the Final Terms, subject to adjustments; or (iii) in respect of any other Underlying, the basket of such other Underlyings, as specified in the Final Terms, subject to adjustments.

“Basket Base Value” means, the initial value of the Basket on the Initial Fixing Date, considering the Conversion Ratio and the single constituent Weights, as determined by the Calculation Agent in its duly executed discretion (“billiges Ermessen”).

“Basket Constituent”, “Basket Component” or “Basket Member” has the meaning specified in the Final Terms and refers to each of the single Underlyings included in the Basket.

“Basket Currency” means the currency, as specified in the Final Terms, used for the calculation of the Basket Value.

“Basket Value” means, subject to adjustments, the value of the Basket during the Security term or on the Final Fixing Date, considering the Conversion Ratio and the single constituent Weights, as determined by the Calculation Agent in its duly executed discretion (billiges Ermessen).

“Basket Constituent Weight” or “Basket Weight” has the meaning specified in the Final Terms and refers to the percentage weight of each Basket Constituents based on the Basket (Base) Value.

“Basket Constituent Multiplier” or “Basket Multiplier” has the meaning specified in the Final Terms and refers to the number of each Basket Constituents contained in the Basket.

“Bonus” or “Bonus Level” has the meaning, if applicable, specified in the Final Terms.

“Bloomberg” means Bloomberg Limited Partnership (and any successor thereto).

“Business Day” means in connection with any payment procedure (i) a day on which SIS, DTC, Clearstream Luxembourg and/or Euroclear is open for business, and (ii) foreign exchange markets (including metals accounts) settle payments in the Settlement Currency, (iii) banks are open for business and (iv) any other day, as specified in the Final Terms.

“Business Day Convention” means the convention to be used for the calculation of any Interest Amount, as specified in the Final Terms and according to Condition 12(d) “Business Day Convention” of the General Terms & Conditions.

“Calculation Agent” means the calculation agent specified in the Final Terms.

“Cap Level” has the meaning, if applicable, specified in the Final Terms.

“Capital Protection” has the same meaning as the term “Minimum (Redemption) Amount”.

“**Cash Settlement Amount**” means the amount specified in the Final Terms, expressed as fixed amount, as percentage of the Denomination or par value or as an amount to be determined by the Issuer or the Calculation Agent on the basis of a formula. The Cash Settlement Amount will be converted into the Settlement Currency at the Exchange Rate, if required, on the Business Day immediately after the Final Fixing Date or, if this day is not a Business Day, the immediately following date that is a Business Day. Unless otherwise specified in the Final Terms the Cash Settlement Amount will be rounded to two (2) decimal places, provided that 0.005 is rounded down.

„**CET**” means the Central European Time which is 1 hour ahead respectively 2 hours ahead during the summer months of Coordinated Universal Time (UTC) and also known as Middle European Time “**MET**”.

“**CFI Code**” and/or “**CFI**” means the Classification of financial instruments and describes codes for an internationally valid system to classify financial instruments. The classification system applies to financial instruments negotiated internationally as well as to domestic instruments. The term “financial instruments” refers not only to classical securities, but also covers the innovative financial products that have emerged in different markets. In principle, the CFI code reflects characteristics that are defined when a financial instrument is issued and that remain unchanged during its entire lifetime. However, a few events that can lead to a new CFI code for the same instrument are anticipated, such as the changing of voting rights or ownership restrictions by a stockholders' meeting.

“**Clearing**” and/or “**Clearing System**” means (i) in relation to listed Securities on the SIX Swiss Exchange, the SIX SIS Ltd, Olten, Switzerland, or any additional Clearing System approved by the Regulatory Board of the SIX Exchange Regulation or (ii) in relation to any Securities which are not listed, SIS or any Clearing System specified in the Final Terms.

„**CISA**” means the Swiss Federal Act on Collective Investment Schemes, as amended from time to time.

“**CO**” means the Swiss Federal Code of Obligations, as amended from time to time.

“**Commodity**” means any commodity, as specified in the Final Terms.

“**Commodity Index**” means the commodity index, as specified in the Final Terms.

“**Company**” means, for Securities with Shares as Underlying, the company that has issued such Shares.

“**Composite**” means Securities for which the currency of the Security and the currency of the Underlying or a component of the Underlying are not the same and the Securityholder is not hedged against the risk resulting from this fact. Any conversions of market prices for an Underlying into the currency of the Securities are made at current Conversion Exchange Rates. To the extent that the description of the Securities does not expressly use the term “**Quanto**” or “**Quanto-Style**” or otherwise defined in the related Final Terms, all Securities issued under this Base Prospectus for which the currency of the Securities and the currency of the Underlying or a component of the Underlying are not the same, are not hedged against exchange rate risk, i.e., Composite Securities, even if the relevant Securities is not identified as Composite.

“**Conversion Exchange Rate**” or „**Exchange Rate**” means the exchange rate for conversion of any amount into the Settlement Currency, as specified in the Final Terms and, if not specified, as reasonably determined by the Calculation Agent.

“**Conversion Ratio**” or „**Ratio**” means the number of Securities per one Underlying or the Underlyings into which a given number of Securities may be converted, as the case may be and as specified in the Final Terms.

“**COSI**” means the SIX Collateral Secured Instruments service that allows minimize the Issuer-related default risk for Structured Products.

“**Coupon**” means interest, payable on the Denomination of the Securities as specified in the Final Terms. The Coupon may have an interest and a capital gain component.

“**Coupon Barrier**” has the meaning, if applicable, specified in the Final Terms.

“**Coupon Determination Date**” has the meaning, if applicable, specified in the Final Terms.

“**Coupon Level**” and/or “**Coupon Barrier**” has the meaning, if applicable, specified in the Final Terms.

“**Coupon Observation Period**” or “**Coupon Period**” is, unless otherwise specified in the Final Terms, the period of time from (and including) the Issue Date or the Payment Date until (and excluding) the first Observation Date, as well as, if several Coupons are paid, each period of time from (and including) the relevant interest payment date until (and excluding) the next following interest payment date and, if interest must be calculated for a period of time which does not end on the relevant interest payment date (and does not include it), then the period of time from and including the immediately preceding interest payment date (or if none, from the Issue Date) until (and excluding) the relevant payment date.

“**Coupon Payment Date**” or “**Coupon Date**” has the meaning as specified in the Final Terms.

“**Currency**” means the currency of the Security as specified in the Final Terms.

“**Currency Conversion**” means the currency conversion specified in the Final Terms.

“**Day Count Fraction**” has the meaning as specified in the Final Terms and in accordance with Condition 13(e) “Day Count Fraction” of the General Terms & Conditions.

“**Delivery of Underlying**” has the meaning, if applicable specified in Condition 15(i) “Settlement Method” of the General Terms & Conditions.

“**Delivery Period**” relating to Settlement Disruption has the meaning specified in Condition 21(b) “Settlement Disruption Event” of the General Terms & Conditions or any other period specified in the Final Terms.

“**Denomination**” means the nominal value of a single Security as specified in the Final Terms.

“**Digital Option**” or “**Binary Option**” if applicable may have exactly two payout profiles as specified in the Final Terms. In the case of a “Cash-or-Nothing Security”, a fixed amount will be paid if the Underlying at the end of the term (in the case of an “American Exercise Style” Security, during the term) is above (Digital Call) or below (Digital Put) a predefined exercise price, otherwise it expires worthless. An “Asset-or-Nothing Security” differs in that instead of the payment of a fixed amount, the delivery of the Underlying or the payment of the price of the Underlying is made. In the case of a “One-touch

Security”, it depends on whether it is “in-the-money” at specified points in time during the term of the Security.

“**Disruption Event**” has the meaning specified in Condition 21 “Disruption Events” of the General Terms & Conditions.

“**Early Redemption Date**” has the meaning as specified in the Final Terms and in accordance with Condition 15 “Redemption” of the General Terms & Conditions.

“**European Exercise**” or “**European Option**” has the meaning specified in Condition 14(a) “Exercise Style” of the General Terms & Conditions and refers to Securities (e.g. Warrants) that can be only exercised at the Exercise Date up to the specified time as stated in the relevant Terms.

“**Exchange**” means the stock exchange where the Securities are listed, if applicable, or as specified on the Final Terms.

“**Exchange Trading Day**” or “**Exchange Business Day**” means if not otherwise specified in the Final Terms:

- (i) in respect of Securities with a Share as Underlying a Trading Day on which the Reference Exchange is operating, on which the relevant Share is quoted on the Reference Exchange and on which such futures or options on the relevant Share (if any) are traded on the Futures and Options Exchange, subject to the provisions set forth in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions.
- (ii) in respect of Securities with an Index as Underlying a day, on which the relevant Index is calculated by the relevant party or the Index Sponsor and announced by the relevant party or the Index Sponsor, subject to the provisions set forth in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions.
- (iii) in respect of Securities with any Underlying other than an Index or a Share, if the value of such Underlying is determined:
 - (A) by way of a reference to a publication of an official fixing, a day on which such fixing is scheduled to be determined and published by the respective fixing sponsor, subject to Market Disruption Events set forth in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions;
 - (B) by way of reference to an official Cash Settlement price, a day, on which such official Cash Settlement price is scheduled to be determined and published by the respective exchange or any other official announcing party, subject to Market Disruption Events set forth in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions;
 - (C) by way of reference to a price or value source including but not limited to information providers such as Reuters, Bloomberg or WM Company PLC and the respective pages on their systems, a day, on which such price or value source still exists and officially provides for the respective price or value, subject to Market Disruption Events set forth in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions;

- (D) by way of reference to an official settlement price (e.g. for a futures contract being the Underlying), a day, on which the Reference Exchange is scheduled to be open for trading for its respective regular trading session, notwithstanding any such Reference Exchange closing prior to its scheduled closing time.
- (E) by the Calculation Agent at a specific time on a specific date, without reference to any source, a day on which the Calculation Agent can enter into a spot transaction with another counterparty, depending on both parties respective opening hours.

“Exercise Agent” means the exercise agent specified in the Final Terms.

“Exercise Date” means, in respect of any Securities (e.g. Warrants), the day on which such Securities are deemed to have been exercised in accordance with Condition 14(b) “Automatic Exercise” of the General Terms & Conditions, if applicable, or on which an Exercise Notice relating to that Securities are delivered in accordance with the provisions of Condition 14(c) “Terms of Exercise” of the General Terms & Conditions.

“Exercise Notice” means any notice in the form as may be agreed by the Issuer and the Exercise Agent which is delivered by a Securityholder in accordance with Condition 14(c) “Terms of Exercise” of the General Terms & Conditions.

“Exercise Period” means, in the case of Securities with American Exercise Style, a period starting on the first Exercise Date and ending on the last Exercise Date as specified in the Final Terms.

“Exercise Price” or **“Strike Price”** means in case of Physical Settlement the price at which the Securityholder can or has to purchase (e.g. Call Warrants) or sell (e.g. Put Warrants) the Underlying, or in case of Cash Settlement is the basis of which the Cash Settlement Amount is calculated at the time of exercise according to the Final Fixing Level of the defined Underlying.

“Expiration Date” or **“Expiry Date”** means the date, as specified under Final Fixing Date in the Final Terms, subject to Security Adjustment provisions in accordance with Condition 22 “Security Events” of the General Terms & Conditions.

“Fair Market Value” means the value of the relevant Underlying as determined by the Calculation Agent in its duly executed discretion (billiges Ermessen) but in accordance with established market practice, which is calculated on the basis of the relevant market conditions after deduction of the costs of the Issuer for unwinding any related Underlying hedging arrangements.

“Final Fixing Date” is the calendar day specified in the Final Terms or, if this day is not an Exchange Trading Day, the next Exchange Trading Day, if, in the judgment of the Issuer or the Calculation Agent, a Disruption Event has not occurred. If on this day, in the judgment of the Issuer or the Calculation Agent, a Disruption Event has occurred, the Final Fixing Date is the next Exchange Trading Day on which, in the judgment of the Calculation Agent, a Disruption Event is no longer subsisting. If the next Exchange Trading Day without a Disruption Event in respect of the Underlying does not occur by the eighth (8th) Exchange Trading Day immediately following the date which would have been the Final Fixing Date in the absence of the occurrence of the Disruption Event, then (i) this eighth (8th) Exchange Trading Day shall be the Final Fixing Date regardless of the Disruption Event and (ii) the Issuer or the Calculation Agent shall determine the final Valuation Price at the Final Fixing Date by determining the Spot Reference Price as of the Final Fixing Date by specifying the Spot Reference Price or level that the Underlying would have had on this eighth (8th) Exchange Trading Day in the

absence of the occurrence of a Disruption Event, taking into account the market conditions prevailing at this point in time, the last reported, published or recorded level or price of the Underlying and, if applicable, each individual Security included in the Underlying, as well as, in its opinion, other significant factors.

“**Final Fixing Level**” or “**Final Spot Level**” has the meaning specified in the Final Terms according to the definition of Final Fixing Date and subject to any corrections and potential adjustments published later.

“**Final Terms**” means the document created by the Issuer, which shall complete and put in concrete terms the terms & conditions of the Base Prospectus for the purposes of the Securities.

“**FINMA**” means the Swiss Financial Market Supervisory Authority FINMA.

“**First Trading Day**” means the date as specified in the Final Terms.

“**FISA**” means the Swiss Federal Act on Intermediated Securities, as amended from time to time.

“**Following Business Day Convention**” means that the immediately following Business Day or Exchange Trading Day, as applicable according to the Final Terms, shall apply if the date indicated in the Final Terms is not a Business Day or not an Exchange Trading Day. Such convention shall apply by default unless otherwise specified in the Final Terms.

“**Fractional Amount**” or “**Fraction**” has the meaning specified in the Final Terms and refers to the fractions of the Underlying that are not deliverable. Fractional Amounts of Underlyings are settled in the form of a cash payment calculated on the basis of the Final Fixing Level or Valuation Price of the Underlying determined on the (i) Final Fixing Date, (ii) Termination Date; (iii) Expiration Date; or (iii) Valuation Date. It is not possible to consolidate Fractional Amounts originating from several Securities into deliverable units of the Underlyings.

“**Futures and Options Exchange**” means with respect to any Securities the organized futures and options exchanges on which futures and/or options relating to the Underlying are traded as, as the case may be, specified in the Final Terms or any succeeding market thereto.

“**FX Disruption Event**” has the meaning given in Condition 21(d) “FX Disruption Event” of the General Terms & Conditions.

“**FX Establishment Date**” has the meaning given in Condition 21(d) “FX Disruption Event” of the General Terms & Conditions

“**FX Rate**” or “**Exchange Rate**” means, if applicable, with respect to the Underlying and any relevant date, the exchange rate at the specified time on that date and for each currency pair (or at a time as close as possible as fixed by the calculation) between the Underlying Reference Currency and the Settlement Currency, which will be determined at this time by the Calculation Agent in accordance with sources which it considers, in its reasonable judgment, to be appropriate.

„**GMT**” means the Greenwich Mean Time and is sometimes called Greenwich Meridian Time because it is measured from the Greenwich Meridian Line at the Royal Observatory in Greenwich. Although GMT has been replaced by atomic Universal Time (UTC) it is still widely regarded as the correct time for every international time zone.

“Government Authority” means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government in any jurisdiction.

“Guarantor” means, if applicable, a party as specified in the Final Terms.

“Hedging Disruption” has the meaning specified in Condition 21(c) “Hedging Disruption Event” of the General Terms & Conditions.

“Knock-in Event” means the event or occurrence specified as such in the Final Terms.

“Knock-out Event” means the event or occurrence specified as such in the Final Terms.

“Knock-in Level” has the meaning of the value specified in the Final Terms which must be reached during the Observation Period in order for the exercise rights under a down-and-in option component or an up-and-in option component of certain categories of Securities can be exercised.

“Knock-Out Level” has the meaning of the value specified in the Final Terms which must be reached during the Observation Period in order to deactivate the exercise rights under a down-and-out option component or an up-and-out option component of certain categories of Securities.

“Increased Cost of Collateralization” has the meaning specified in Condition 21(f) “Additional Disruption Events” of the General Terms & Conditions.

“Increased Cost of Hedging” has the meaning specified in Condition 21(f) “Additional Disruption Events” of the General Terms & Conditions.

“Index” means, in respect of any Security relating to an index, each index specified in the Final Terms and published by the relevant Index Sponsor.

“Index Sponsor” means the relevant index sponsor who calculates and publishes the relevant Index, as specified in the Final Terms.

“Initial Fixing Date” is the calendar day specified in the Final Terms or, if this day is not an Exchange Trading Day, the next Exchange Trading Day, if, in the judgment of the Issuer or the Calculation Agent, a Disruption Event has not occurred. If on this day, in the judgment of the Issuer or the Calculation Agent, a Disruption Event has occurred, the Initial Fixing Date is the next Exchange Trading Day on which, in the judgment of the Calculation Agent, a Disruption Event is no longer subsisting. If the next Exchange Trading Day without a Disruption Event in respect of the Underlying does not occur by the eighth (8th) Exchange Trading Day immediately following the date which would have been the Initial Fixing Date in the absence of the occurrence of the Disruption Event, then (i) this eighth (8th) Exchange Trading Day shall be the Initial Fixing Date regardless of the Disruption Event and (ii) the Issuer or the Calculation Agent shall determine the initial Valuation Price at the Initial Fixing Date by determining the Spot Reference Price as of the Initial Fixing Date by specifying the Spot Reference Price or level that the Underlying would have had on this eighth (8th) Exchange Trading Day in the absence of the occurrence of a Disruption Event, taking into account the market conditions prevailing at this point in time, the last reported, published or recorded level or Spot Reference Price

of the Underlying and, if applicable, each individual Security included in the Underlying, as well as, in its opinion, other significant factors.

“**Initial Fixing Level**” or “**Initial Spot Level**” has the meaning specified in the Final Terms according to the definition of Initial Fixing Date and subject to any corrections and potential adjustments published later.

“**Instalment Amount**” means, in respect of a Security and an Instalment Date, an amount determined by the Calculation Agent equal to the amount specified as such in the Final Terms.

“**Instalment Date**” means, in respect of a Security, each date specified as such in the Final Terms.

“**Intrinsic Value**” means the amount that the Securityholder will receive if he would exercise his Security right immediately (before taking into account the costs and fees payable as a result).

“**In-the-money**” describes the situation in which the Intrinsic Value of a Security is positive (i.e., greater than nil). “**At-the-money**” describes the situation in which the Intrinsic Value of a Security is zero and “**Out-of-the-money**” describes the situation in which the Intrinsic Value of a Security is negative (i.e., less than nil).

“**Investor**” has the same meaning as the term “Securityholder”.

“**ISDA**” means the International Swaps and Derivatives Association, Inc.

“**ISIN**” has the meaning specified in the Final Terms and refers to the International Securities Identification Number (ISIN) for the uniquely identification of a Security. The ISIN code is a 12-character alpha-numerical code that does not contain information characterizing financial instruments but serves for uniform identification of a Security at trading and settlement.

“**Issuer**” means Bank J. Safra Sarasin Ltd which may also be acting through one of its Branches or subsidiaries, as specified in the Final Terms.

“**Issue Date**” has the meaning of the calendar day as determined in the Final Terms.

“**Issue Price**” means the initial price at which the Security is made available for purchase as specified in the Final Terms.

“**Issue Size**” or “**(Aggregate) Nominal Amount**” has the meaning specified in the Final Terms and refers to the total value, stated in Nominal Amount or in number of Securities, of the issued Securities after the Subscription Period. Sometime the placed or outstanding Securities “**Outstanding Principal Amount**” will differ from the original Issue Size. The Issuer shall be at liberty from time to time, without the consent of the existing Securityholder, to issue further Tranches ranking equally with the initial Issue Size Tranche in all respects so that such further tranches shall be consolidated and form a single Tranche with the initial Issue Size Tranche.

“**Last Trading Day**” means the date as specified in the Final Terms.

“**Last Trading Time**”, means the time on the Last Trading Day until which the Securities can be traded on an Exchange or directly by with the Issuer, as specified in the Final Terms.

“**Lead Manager**” means the lead manager specified in the Final Terms.

“**Leverage Factor**” has the meaning, if applicable, specified in the Final Terms.

“**Listed**” or “**Listing**” has the meaning of a Security or an Underlying quoted, listed or ordinarily purchased and sold on an official organized exchange platform.

“**Management Fees**” has the meaning, if applicable, specified in the Final Terms.

“**Market Disruption Event**” has the meaning specified in Condition 21(a) “Market Disruption Event” of the General Terms & Conditions.

“**Maturity Date**” has the meaning, if applicable, as specified in the Final Terms.

“**Maximum Coupon**” means, if applicable, a maximum interest, payable on the Denomination of the Security as specified in the Final Terms. The Maximum Coupon provides a maximum return for the relevant coupon period.

“**Maximum Exercise Number**” has the meaning, if applicable, specified in Condition 14(c) “Terms of Exercise” of the General Terms & Conditions and in the Final Terms.

“**Maximum (Redemption) Amount**” means, if applicable, the maximum cash amount, as specified in the Final Terms, which is owed on the Settlement Date (increased, if applicable, by a Bonus Amount).

“**Maximum Trading Lot**” or “**Maximum Trading Amount**” means, if applicable, the maximum trading lot specified in the Final Terms.

“**Minimum Coupon**” means, if applicable, a minimum interest, payable on the Denomination of the Security as specified in the Final Terms. The Minimum Coupon provides a minimum return for the relevant coupon period.

“**Minimum Exercise Number**” has the meaning specified in Condition 14(c) “Terms of Exercise” of the General Terms & Conditions and in the Final Terms.

“**Minimum (Redemption) Amount**” or “**Floor Level**” means, if applicable, the minimum cash amount, as specified in the Final Terms, which is owed on the Settlement Date (increased, if applicable, by a Bonus Amount).

“**Minimum Trading Lot**” or “**Minimum Trading Amount**” means the minimum trading lot specified in the Final Terms.

“**Multiplier**” has the meaning as specified in the Final Terms.

“**Open-End**” or “**OE**” means Securities without a prededined fixed maturity.

“**Participation**” has the meaning, if applicable, specified in the Final Terms.

“**Payment Date**” has the meaning as specified in the Final Terms.

“**Paying Agent**” means the paying agent specified in the Final Terms.

“**Performance Fees**” has the meaning, if applicable, specified in the Final Terms.

“**Potential Adjustment Event**” has the meaning specified in Condition 22 “Security Events” of the General Terms & Conditions.

“**Preceding Business Day Convention**” means, if applicable, that the immediately preceding Business Day respectively Exchange Trading Day according to the Final Terms, shall apply if the specific date indicated in the Final Terms is not a Business Day respectively not an Exchange Trading Day. The Preceding Business Day Convention would be specified on the Final Terms.

“**Quanto**” has the meaning, if applicable and specified in the Final Terms, to protect the Securities against currency movements in case of the Currency of the Securities and the currency of the Underlying or a component of the Underlying are not the same and the Securityholder is hedged against the resulting Exchange Rate risk. Such a Derivative is also identified as a “**Quanto Option**”. The redemption methods are modified in such a way that a change in the Exchange Rate between the relevant currencies does not have any influence on the redemption, but just on the relative performance of the Underlying in its Reference Currency. It should be noted that the difference between the two currencies during the term of the Securities influence the Fair Market Value of the Securities. To the extent that the description of the Securities does not expressly use the term “Quanto” or “Quanto-Style” or otherwise defined in the related Final Terms, all Securities issued under this Base Prospectus for which the currency of the Securities and the currency of the Underlying or a component of the Underlying are not the same, are not hedged against exchange rate risk i.e., Composite Securities, even if the relevant Securities is not identified as Composite (see “Composite” definition above).

“**Security**” or “**Securities**” mean the Products, as specified and described in the Final Terms.

“**Rating**” means the rating of the Issuer and/or the Guarantor, as specified in the Final Terms.

“**Record Date**” has the meaning given to it in the Final Terms.

“**Redemption**” or “**Redemption Amount**” has the meaning specified in the Final Terms and refers to the Cash Settlement Amount and/or Physical Settlement amount that is calculated by the Issuer and/or Calculation Agent on the (i) Final Fixing Date, (ii) Termination Date; (iii) Expiration Date; or (iii) Valuation Date on the basis of the relevant Final Fixing Level or Valuation Price of the Underlying and paid out to the Securityholders. This process may be subject to delays in the event of Disruption Events specified in Condition 21 “Disruption Events” of the General Terms & Conditions.

“**Redemption Date**” or „**Repayment Date**” means in respect of: (i) any exercised Securities the fifth Business Day following the Exercise Date, the Expiration Date or the Final Fixing Date (or, as the case may be, following the Final Fixing Date of the Valuation Period) or any other Business Day specified in the Final Terms, subject to Disruption Event provisions specified in Condition 21 “Disruption Events” of the General Terms & Conditions; (ii) any Securities, the Business Day specified in the Final Terms. In case of a postponement of the Exercise Date, the Expiration Date, Final Fixing Date or any other Business Day specified in the Final Terms, as a consequence of a Disruption Event, the Exercise Date, the Redemption Date, any Coupon Payment Date or any other date, as applicable, will be postponed accordingly.

“**Reference Portfolio**” has the same meaning as the term “Basket”.

“**Reference Rate**” means the rate, if applicable, specified as such in the Final Terms.

“**RIC**” has the meaning specified in the Final Terms and refers to the Reuters instrument code (RIC), is a ticker-like code used by Thomson Reuters (Refinitiv) to identify financial instruments and indices.

“**Rollover**” means, especially in connection with Futures Contracts, the process of renewing or prolonging a forward hedging position (i.e., a hedging position relating to the future) on one or more occasions.

“**Rollover Date**” has the meaning specified in the Final Terms and refers to the last trading date or the first trading date after the last trading date of the Futures Contracts in the Relevant Reference Market. If, at that date, the Issuer determines at its reasonable discretion that there is insufficient liquidity in the Futures Contracts used as the Underlying in the Relevant Reference Market or that a comparable extraordinarily market situation prevails, the Issuer shall be entitled to determine at its reasonable discretion another day as Rollover Date.

“**Securities Account Holder**” means a financial intermediary entitled to hold accounts with a Clearing System on behalf of its customers or an Investor entitled to an account with SIX SIS Ltd or any other Clearing System, as specified in the Final Terms.

“**Securityholder**” means a person entitled to the rights conferred by the Securities, holding Securities through a Securities Account Holder, or, in the case of Securities Account Holder acting for its own account, such Securities Account Holder.

“**Security Supplement**” means any Security Supplement which is specified in the Final Terms.

“**Settlement**” is either cash settlement (“**Cash Settlement**”) and/or physical delivery of the Underlying or a component of the Underlying (“**Physical Settlement**”), as specified in the Final Terms.

“**Settlement Currency**” means the currency, as specified in the Final Terms, used for the payment of any Redemption, Redemption Amount or any other amount.

“**Settlement Date**” is the calendar day specified in the Final Terms on which the payment of the Cash Settlement or Physical Settlement becomes due. It can, in particular for warrants, also be specified as a number of calendar days following the Exercise Date. If the Settlement Date is not a Business Day, the next following Business Day will apply.

“**Settlement Disruption**” means, in the case of a Delivery of Underlying, the suspension or material limitation, in the opinion of the Calculation Agent, of transfers of the Underlying in the system of any of the Clearing Systems.

“**Share**” means, in respect of any Securities relating to shares, each share, depository receipt, or any other equity or equity related instruments or units of investment funds, as specified in the Final Terms.

“**SIS**” or “**SIX SIS Ltd**” means SIX SIS Ltd, Olten, Switzerland, or any successor thereof.

“**SIX**” means the SIX Swiss Exchange Ltd, Zurich, Switzerland, or any successor exchange thereof.

“**SSPA Code**” has the meaning, if applicable, specified in the Final Terms and refers to the Swiss Derivative Map Code of the Swiss Structured Products Association (“SSPA”) available under <https://sspa.ch>.

The SSPA categorization model consists of three hierarchy levels. On the top level the model distinguishes investment products from leverage products. These two main categories are made up of five product categories on the second level, ranging from the low-risk capital protection products to the higher risk leverage products. On the third hierarchy level, each of these five product categories comprises a number (code) of specific product types. These product types illustrate how a single structured product functions by means of its respective payoff diagram.

“**Spot Reference Price**” or “**Spot Price**” or simply “**Spot**” has the meaning specified in the Final Terms and refers to the price, valuation or rate of the Underlying determined at a specific date/time on which the calculation of the various parameters of the Security is based.

“**Stop Loss Level**” or “**Stop-Loss Event**” has the meaning specified in Condition 14(h) “Mini-Futures and Knock-Out Warrants” of the General Terms & Conditions and refers to the case where the relevant Price of the Underlying determined in the relevant Final Terms reaches or falls below the Stop-Loss Level of the Mini Futures (in the case of Long Mini Futures) or reaches or exceeds the Stop-Loss Level (in the case of Short Mini Futures) as stated in the Final Terms. In this event, the Securities are automatically exercised and expire; the Redemption Amount is then equal to the realisable stop-loss liquidation price.

“**Strategy Advisor**” has the meaning, if applicable, specified in the Final Terms and refers to the investment manager, respectively the advisor, appointed to discretionarily manage and advise the Underlying constituents in the Actively Managed Basket. The Strategy Advisor can modify the composition of the Actively Managed Basket, or suggest modifications, according to the previous agreed investment guidelines set up in the Final Terms. The Issuer and the Lead Manager accept responsibility for accurately execute the submitted Strategy Advisor transaction orders. Otherwise neither the Issuer nor the Lead Manager accept further or other responsibility nor make any representation or warranty (express or implied) in respect of the Strategy Advisor investment strategy or the Strategy Advisor's advice.

“**Strike Level**” and/or “**Strike Price**” has the meaning, if applicable, specified in the Final Terms.

“**Structured Products**” mean products for which the redemption value is linked to the performance of one or more Underlying values, having a fixed or unlimited maturity and be based on one or more parts, irrespective of weighting as specified in the Final Terms. Structured products are acquired on the basis of an individual sales contract and, unlike in the case of a collective investment scheme (“CISO”), the Investor is not protected by a collective pool of assets for the fulfilment of the contractually agreed product terms (no right of segregation) but, rather, the issuer as well as the guarantor, if any, to the extent of its guarantee, are liable to the Investor. The Swiss Derivative Map of the Swiss Structured Products Association (“SSPA”) available under <https://sspa.ch/en> list the main Structured Product categories.

“**Subscription Period**” has the meaning, if applicable, specified in the Final Terms and refers to the period of time in which Investors can commit to purchase the Securities to be issued at the corresponding Issue Price. Consequently, the end of the Subscription Period corresponds to the last day in which Investors can commit to purchase the Securities to be issued at the corresponding Issue Price.

“**Symbol**” means, if applicable, the trading symbol that corresponds to the relevant Swiss Securities number for listed Securities as specified in the Final Terms. The Symbol is generated by the Issuer or the Lead Manager and agreed with recognised Swiss Numbering Agency SIX Financial Information Limited.

“**TER**” has the meaning, if specified in the Final Terms, of the abbreviation for the Total Expense Ratio (TER). The TER specifies the production and distribution costs that have been charged in the Securities. One-off costs are spread over the entire term when calculating the TER. If the effective holding period of the Securities differs from the actual Security term, the TER may differ.

“**Trade Date**” has the meaning specified in the Final Terms and refers to the date at which a transaction agreement has been entered between the Investor and the market maker of the Securities. If the Trade Date is not a Business Day, the next following Business Day will apply.

“**Trading Day**” means any day on which the Reference Exchange for an Underlying or of a component of the Underlying, to the extent this is an exchange or a trading system which is open for scheduled trading during regular trading hours; and, to the extent the Reference Exchange is not a securities exchange or trading system, a Business Day, except for days on which business banks and currency markets in the country in which the Reference Exchange is located, are closed.

“**Tranche**” means a number of Securities that are subject to the same conditions (including further issues pursuant to Condition 17 “Issuance of additional Securities” of the General Terms & Conditions, if any).

“**Transaction Fees**” has the meaning, if applicable, specified in the Final Terms.

“**Trigger Level**”, has the same meaning as the term “Barrier Level”.

“**Unadjusted**” means that the Coupon amount calculation is based on the theoretical Coupon Payment Dates in contrast to “**Adjusted**” where the Coupon amount calculation is based on the effective Coupon Payment dates (Business Days).

“**Underlying**” has the meaning specified in the Final Terms and refers to any Underlyings and/or Underlying Constituents, as the case may be.

“**Underlying Constituent**” or “**Underlying Component**” means each financial instrument comprised in the Underlying according to the related Final Terms, as determined by the Calculation Agent. In case of actively managed certificates the initial Underlying Constituents may be subject to changes during the Security’s Terms.

“**Underlying Price Source**” or “**Price Source**” means in respect of an Underlying, the price source, as specified in the Final Terms.

“**Underlying Reference Currency**” or “**Reference Currency**” means the currency in which the Underlying is traded on the Underlying Reference Exchange, as specified in the Final Terms.

“**Underlying Reference Exchange**” or “**Reference Exchange**” or “**Relevant Exchange**” means the exchange or a quotation system, as specified in the Final Terms, any successor to such Reference Exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined that there is comparable liquidity relative to the Underlying on such temporary substitute or quotation system as on the original Reference Exchange) on which the relevant Underlying or its components and, relating to Securities on Commodity Indices, the relevant Underlying Components are traded, or as specified in the Final Terms.

“**Underlying to Deliver**” means, if applicable, Securities paper or instrument as specified in the Final Terms that will be delivered to the Securityholder instead of the respective Underlying, if for instance, the Underlying itself can – based on the assessment of the Issuer or their agents – not be delivered for any reason.

“**Valor**”, “**CH Valor**” or “**Swiss Valor**” has the meaning specified in the Final Terms and refers to the Swiss Securities identification code “Valorenummer” assigned by the SIX Financial Information.

“**Valuation Period**” and/or “**Hedge Period**” means, if applicable, the period specified in the Final Terms.

“**Valuation Date**” means, if applicable, the Trading Day on which the relevant Redemption Amount of the Securities is determined by the Issuer or the Calculation agent as stated in the Final Terms. The initial and final Valuation Date may correspond to the Initial Fixing Date and Final Fixing Date. The Valuation Date can also occur during the Term of the Securities of a specified date if the Final Terms so provide such as, for example, in the event of (i) early termination by the Issuer or, where relevant, by the Securityholder, (ii) the exercise of an exercise right or (iii) the occurrence of a Stop-Loss Event (especially in the case of Mini Futures or Knock-out Warrants), where such an event occurs prior to exercise by the Holder or termination by the Issuer.

“**Valuation Price**” has the meaning specified in the Final Terms and indicates which Spot Reference Price is intended to apply for the purpose of calculating the (Redemption) Amount according to the definition of Valuation Date based on the Underlying on the relevant Reference Exchange. In case of discrepancies, in respect to the determination of the relevant Valuation Price, arising between the rules of the Underlying Reference Exchange and those applying to the Securities (such as, for example, rules relating to exercise and expiry, exchange or trading days etc.), the Issuer and/or the Calculation Agent may adopt the rules of the Underlying Reference Exchange which differ from the provisions of the Securities (including in the Final Terms).

“**Warrants**” mean Call Warrants or Put Warrants, as specified in the Final Terms.

“**WKN**” has the meaning specified in the Final Terms and refers to the Wertpapierkennnummer (WKN) for the German Securities identification code.

2. Legal Basis, Status & Securityholder Claims

The object of the Base Prospectus is the offering of the described Securities issued by the Issuer pursuant to a decision of the competent executive bodies in charge for the derivative business.

(a) Status of the Securities

Unless otherwise specified in the Final Terms, the obligations of the Issuer under and in relation to the Securities constitute unsecured and unsubordinated contractual obligations, which, in case of insolvency, will rank *pari passu* with all other current and future direct unsecured and unsubordinated obligations of the Issuer, without any preference among themselves and without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise, with the exception of those that have priority due to mandatory provisions of law, or by requirements of Securities issued under a collateral arrangement (as further described in the

Section “SIX Collateral Secured Instruments (COSI)”). The insolvency of the Issuer may lead to a partial or total loss of the invested capital.

(b) *Securityholder Claims*

In accordance with Swiss law and unless otherwise specified, claims of any kind against the Issuer arising under the Securities will expire 10 years after the earlier of the date on which the early redemption or the date on which the ordinary redemption of the Securities has become due, except for claims for interests which will expire 5 years after maturity of such interest claims.

These Securities do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and thus are not subject to the supervision of the FINMA. Therefore, Securityholders are not eligible for the Investor protection under the CISA. Furthermore, the Securities do not benefit from any depositor protection under Article 37b of the Swiss Banking Act or other forms of deposit insurance under any other laws.

3. Severability / Modifications / Amendments

(a) *Severability*

If any of the provisions of the Terms & Conditions is or becomes invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The invalid or unenforceable provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid or unenforceable provision. The same applies to any gaps in the Terms & Conditions.

(b) *Modifications and Amendments*

The Issuer shall be entitled to modify or amend, as the case may be, these Terms & Conditions in each case without the consent of the Securityholders in such manner as the Issuer deems necessary, if the modification or amendment (i) is of a formal, minor or technical nature; or (ii) is made to cure a manifest or proven error; or (iii) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of the Terms & Conditions; or (iv) is made to correct an error or omission such that, in the absence of such correction, the Terms & Conditions would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or (v) will not materially and adversely affect the interests of the Securityholders.

The Issuer may also modify or amend any of the provisions contained in the Security Documentation of a specific Security in the event that the Issuer believes that such modification is necessary or appropriate as of a result of a change in Swiss or other applicable laws and regulations such as, but not limited to, as provided for in Condition 20 “Governing Law and Jurisdiction” of the General Terms & Conditions herein.

(c) *Notification*

Any modification or amendment of these Terms & Conditions shall take effect in accordance with its Terms & Conditions and be binding on the Securityholders, and shall be notified to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions (but

failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

4. Rights associated with the Securities

Each Security entitles its Securityholders to receive from the Issuer, in respect of each Denomination amount, by where Settlement means Cash Settlement, cash payment amounts and/or where Settlement means Physical Settlement of the Underlyings as specified in the Final Terms.

In case of Cash Settlement and unless otherwise specified in the Final Terms, the cash amount will be rounded to the nearest two (2) decimal places in the Settlement Currency, 0.005 being rounded downwards. If the Settlement Currency is Japanese Yen, the amount will be rounded down to the nearest Yen.

In case of Physical Settlement and unless otherwise specified in the Final Terms, the number of Underlyings to be delivered per Security will be rounded down to the nearest integer number. Fractional amounts are not delivered. In case of a rounding down to a whole number in accordance with the provisions above, a cash amount in the Settlement Currency will be paid and shall, unless otherwise specified in the Final Terms, be equal to the product of the remaining fraction and the relevant Reference Level of the delivered Underlyings in respect of the Final Fixing Date or Valuation Date and, if currency exchange rate is specified to apply in the Final Terms, the resulting amount being converted into the Settlement Currency at the Exchange Rate in respect of the Final Fixing Date or Valuation Date.

Physically delivered Underlyings shall entitle the Securityholder to participate in full in all dividends and other cash distributions made on the Underlying after the Final Fixing Date or Valuation Date together with all other rights associated with the delivered Underlying. If the Final Fixing Date or Valuation Date coincides with the Underlying ex-date of a specific cash flow, the Underlying Instrument shall be delivered ex-cash flow. The same shall apply to any other rights that may be associated with the Underlying.

5. Declaration with regard to CISA

In Switzerland, Securities issued under this Base Prospectus are considered derivative financial instruments, do not require the approval of and are not subject to the supervision of FINMA. The Securities do not constitute units in a collective investment scheme within the meaning of CISA. Securityholders are therefore not protected by the Swiss Collective Investments Act and they are exposed to the Issuer risk.

6. Listing and Secondary Market

According to the Final Terms, the Securities may, or may not be, listed, and any listings will be made on the SIX Swiss Exchange Ltd. A listing application would be made in compliance with the rules on the appropriate trading platform of the SIX Swiss Exchange Ltd.

Irrespective of the listing application and in case of illiquid Securities or difficult market conditions (e.g. emerging markets), where the Issuer and/or the Calculation Agent are unable to enter into the corresponding hedging transactions, the Securityholders should be prepared to hold the Securities until maturity or expect a temporarily expanded bid/ask spread. During the term of the Securities, the

Underlying Asset or a basket constituent (in case of a Basket Underlying Instrument) may be suspended from trading or may be delisted from the relevant exchange, reference market or quotation system for reasons not attributable to the Issuer. This might have material adverse effects on the value and tradability of the Security, might lead to the suspension or delisting of the Security or have other negative consequences.

(a) *Listing on the SIX Swiss Exchange*

SIX Swiss Exchange Ltd (“SIX”) provides rules determining admissible Underlying Assets. It cannot be excluded that during the term of the Securities, an Underlying Asset is suspended from trading or de-listed from SIX or any other applicable exchange for reasons beyond the control of the Issuer. In case an Underlying Asset of a listed Security is suspended from trading or de-listed, this might have material adverse effects on the Security and/or might lead to the suspension or de-listing of the Security. In addition, the listed Securities may be suspended from trading or de-listed from SIX during the term of the respective Securities for other reasons. The Issuer does not assume, even in the case of a provisional admission to SIX, any legal obligation of a successful admission to SIX or the maintenance of any Securities to the SIX trading platform. Prospective Investors of Securities listed on SIX should be aware that SIX generally does not require a mandatory market making for Securities listed on SIX; limited exemptions apply for e.g. actively managed certificates or COSI Products, as required by SIX regulations.

Prospective Investors should note that the procurement of price information regarding the Securities might be impeded if the Securities are not or are no longer listed or traded on the SIX trading platform. Moreover, the liquidity of the Securities may be diminished.

In case of a listing of the Securities at SIX, application will be made to list the Securities on SIX for trading on the SIX platform and the Final Terms will state details on the listing of the Securities, in particular the relevant trading Symbol, the provisional admitted First Trading Day, the Last Trading Day and the Last Trading Time, as the case may be.

(b) *Bilateral Trading Platform*

If specified in the Final Terms, the Issuer may apply in case of non-listed Securities for an unregulated bilateral trading platform (i.e. SIX Unregulated Bilateral Trading platform – XBTR). In contrast to listed Securities traded on the SIX regulated trading platform, unregulated bilateral trading platforms are not regulated by the FINMA and thus there is no market surveillance and these Securities are not submitted to a formal admission process. Securities quoted on the XBTR are not listed Securities and not subject to the SIX listing regulations. Prospective Investors should be aware that Securities quoted on an unregulated bilateral trading platform do not require a mandatory market making.

(c) *Non-listed Securities*

If specified in the Final Terms, the Issuer or the Lead Manager, as applicable, intends, under normal market conditions, to provide indicative bid and/or offer quotations for non-listed Securities on a regular basis. However, the Issuer or the Lead Manager, as applicable, makes no firm commitment to provide liquidity by means of bid and offer prices for these Securities, and assumes no legal obligation to quote or determine a price. Prospective Investors therefore should not rely on the ability to sell Securities at a specific time or at a specific price. Additionally, the Issuer has the right

(but no obligation) to purchase the Securities at any time and at any price in the open market or by tender or private agreement. Any Securities so purchased may be held, re-sold or surrendered for cancellation in accordance with Condition 16 “Issuer Purchases and Cancellation” of the General Terms & Conditions.

(d) Further Details for the Secondary Market

In case of an active secondary market, the Final Terms will state further details, in particular the price quotation, the information platform(s) where indicative prices are published, the Minimum Trading Lot, the trading days and the trading hours, as the case may be.

7. Form of Securities

The Securities may be issued as bearer Securities (so-called “Inhaberpapiere”) or in dematerialised book-entry form.

Bearer Securities are issued either (a) in the form of permanent global bearer Securities (Schweizer Globalurkunden, “Swiss Global Securities”) pursuant to Article 973b of the Swiss Code of Obligations (“CO”), or (b) as uncertificated Securities (Wertrechte; “Uncertificated Securities”) pursuant to Article 973c CO, as specified in the Final Terms. Bank J. Safra Sarasin Ltd may proceed in its sole discretion with the registration of the Securities with SIX SIS Ltd or any other clearing and settlement agent in accordance with Condition 8 “Clearing and Settlement” in the form of a (Swiss) Global Securities or Uncertificated Securities. The Securities may be issued as book entry securities with Bank J. Safra Sarasin Ltd acting as depository for its clients' accounts. For as long as the Securities are materialized at Bank J. Safra Sarasin Ltd only, their transferability and clearing outside the Bank J. Safra Sarasin Ltd are subject to restrictions, i.e. the Securities are in such circumstances only be transferred to purchasers holding a securities account at Bank J. Safra Sarasin Ltd and the investors have no right to request the issuance and registration of the Securities with SIX SIS Ltd in the form of a Swiss Global Securities or Uncertificated Securities.

Swiss Global Securities are deposited with, and Uncertificated Securities are registered in the main register of, a recognised Swiss depository (Verwahrungsstelle; “FISA Depository”) according to Article 4 of the Swiss Federal Act on Intermediated Securities (“FISA”). Upon (a) the depositing the Swiss Global Securities with the relevant FISA depository or entering the Uncertificated Securities into the main register of a FISA Depository and (b) booking the Securities into a Securities account at a FISA Depository pursuant to Article 6 FISA the Swiss Global Securities and the Uncertificated Securities will constitute intermediated Securities within the meaning of the FISA (Bucheffekten; “Intermediated Securities”). The Issuer will normally choose SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten, Switzerland as FISA Depository, but reserves the right to choose any other FISA Depository, including Bank J. Safra Sarasin Ltd.

Once and subject to such registration with SIX SIS Ltd, the Securities will be also transferable to third party purchasers who do not hold a securities account at Bank J. Safra Sarasin Ltd. As long as the Securities qualify as Intermediated Securities they may only be transferred or otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective FISA Depository. Neither the Intermediated Securities nor any rights pertaining to the Intermediated Securities may be transferred by way of assignment pursuant to Articles 164 et seq. CO without the prior written consent of the Issuer.

In general, the records of the FISA Depository will determine the number of Swiss Global Securities or Uncertificated Securities held through each participant of the FISA Depository. In respect of Swiss Global

Securities or Uncertificated Securities held in the form of Intermediated Securities, the Securityholders of such Intermediated Securities will be the persons holding such Intermediated Securities in a Securities account (“Effektenkonto”) that is in their name, or, in the case of intermediaries (“Verwahrungsstellen”), the intermediaries holding such Intermediated Securities for their own account in a Securities account that is in their name. The Securityholder’s entitlement to Intermediated Securities is based on its relevant Securities account. A Securityholder may at any time require its FISA Depository to draw up a statement of the Intermediated Securities credited to its Securities account in accordance with Article 16 FISA. This statement does not qualify as physical Securities (“Wertpapiere”).

Neither the Securityholders nor any third parties shall have the right to effect or demand the conversion of the Intermediated Securities into Uncertificated Securities, Swiss Global Securities, or physical Securities. Unless otherwise provided in the Terms & Conditions of the Securities, the Issuer may convert Swiss Global Securities into Uncertificated Securities and vice versa or printing the physical Securities at any time and without consent of the Securityholders.

8. Clearing and Settlement

Transactions in (including transfer of) the Securities may be settled through the appointed Clearing System, as specified in the Final Terms, in or through which the Securities are held and are to be held and/or through the relevant Securities Account Holder. Title will pass upon registration of the transfer into the books of the relevant Clearing System and/or of the relevant Securities Account Holder.

The Security Identification Codes (International Securities Identification Number - ISIN and/or any other National identification Codes for any other Clearing System, as the case may be) and the relevant Clearing System will be specified in the Final Terms.

The information set out below is subject to changes in or reinterpretation of the rules, regulations and procedures of SIX SIS Ltd, Clearstream, Euroclear and Bank J. Safra Sarasin Ltd, specified as “Clearing System” in the Final Terms from time to time.

(a) *SIX SIS Ltd*

SIX SIS Ltd (“SIS”) is a wholly owned subsidiary of SIX Group and is a bank supervised by the FINMA. SIS acts as the central Securities depository and settlement institution for the following Swiss Securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other derivatives. Apart from providing custody and settlement for Swiss Securities, SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIS offers direct links to other international central Securities depositories and central Securities depositories including Clearstream, Germany, Euroclear and Clearstream, Luxembourg. The address of SIS is SIX SIS Ltd, Baslerstrasse 100, CH-4600 Olten, Switzerland.

(b) *Clearstream*

Clearstream Banking AG (“Clearstream, Germany”), is a wholly owned subsidiary of Clearstream International S.A., Luxembourg and is established and incorporated in Germany as a stock corporation. Clearstream, Germany is a licensed central Securities depository in accordance with the provisions of the Securities Deposit Act (Depotgesetz) and is supervised by the Federal Financial

Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”). The address of Clearstream, Germany, is Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany.

Clearstream Banking, S.A. (“Clearstream, Luxembourg”), located at 42 Avenue JF Kennedy, L-1855 Luxembourg was incorporated in 1970 as a limited company under Luxembourg law. It is registered as a bank in Luxembourg, and as such is subject to regulation by the CSSF, which supervises Luxembourg banks.

(c) Euroclear

Euroclear SA/NV, Brussels (“Euroclear”) acts as the owner of all the shared technology and services supplied to each of the Euroclear CSDs and the ICSD. Euroclear SA/NV is owned by Euroclear plc, a company organised under the laws of England and Wales, which is owned by market participants using Euroclear services as members. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels.

Euroclear Sweden AB (“Euroclear Sweden”) is a Swedish private company which operates under the supervision of the Swedish Financial Supervisory Authority and is authorised as a central Securities depository and clearinghouse. The address of Euroclear Sweden is Swedish Central Securities Depository, Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden.

Euroclear Finland Limited (“Euroclear Finland”) is a Finnish private company which operates under the supervision of the Finnish Financial Supervisory Authority and is authorised as a central Securities depository and clearinghouse. The address of Euroclear Finland is Euroclear Finland Limited, Urho Kekkosen katu 5 C, FI-00100 Helsinki, Finland.

Euroclear France S.A. (“Euroclear France”) is a limited company (société anonyme) which was established under French law in 1949 as Sicovam S.A. and is supervised by the French Autorité des Marchés Financiers, which also regulates its settlement systems. The Banque de France oversees its payment instruments and payment and Securities settlement systems. Euroclear France is the Central Securities Depository of France and provides additional services for funds processing, from order routing to settlement. The address of Euroclear France is Euroclear France S.A., 66 rue de la Victoire, 75009 Paris – France.

(d) Bank J. Safra Sarasin Ltd as FISA Depository

If the Final Terms specify that Bank J. Safra Sarasin Ltd acts as FISA Depository, the relevant Securities can only be held in a Securities Account with Bank J. Safra Sarasin Ltd.

9. Fees and related conflict of interests

The Final Terms will state, if applicable, the type and amount of fees and remuneration included in the Securities.

Each Securityholder accepts that the Issuer and/or the Lead Manager may offer the Securities to banks, affiliates, securities dealers, and other financial intermediaries or institutions (together the “FI”), who buy the Securities for purposes of, or with a view to, on-sale of such Securities to their clients

- (i) at a discount of a) up to two (2) per cent. per annum (“p.a.”) to the Issue Price (“Relevant Fees”), b) up to three-point-five (3.5) per cent. p.a. to the Issue Price (“Significant Fees”) or c) more than three-point-five (3.5) per cent. p.a. to the Issue Price (“Substantial Fees”) or d) with a fee explicitly specified in the Final Terms; or
- (ii) at the Issue Price but reimburses an amount of a) up to 2 per cent. p.a. of the Issue Price (“Relevant Fees”), b) up to three-point-five (3.5) per cent. p.a. of the Issue Price (“Significant Fees”) or c) more than three-point-five (3.5) per cent. p.a. of the Issue Price (“Substantial Fees”) or d) a fee explicitly specified in the Final Terms to the FI,

meaning that if and to the extent such discount or reimbursement, on the basis of statutory law, would have to be forwarded by the FI to the Securityholder, each Securityholder hereby takes note and unconditionally accepts that the FI may retain and keep such discount or reimbursement.

In addition, for certain services rendered and in order to increase quality and services relating to the issued Securities, the Issuer and/or the Lead Manager may from time to time pay trailer fees or management fees to FI. If and to the extent such trailer fees, on the basis of statutory law, would have to be forwarded by the FI to the Securityholder, each Securityholder hereby takes also note and unconditionally accepts that the FI may retain and keep such kind of fees.

The existence and retention or restitution of such remuneration by the FI is governed directly by the business relationship between the FI and the Securityholder. The Issuer does not have access to and does not know the content of such business relationship. The beneficiary, *i.e.* the FI, is responsible for informing the Securityholder about the remuneration paid by the Issuer. However, upon express request of the Securityholder (who would not have received information from the FI on the existence and amount of the remunerations paid), the Issuer has the right, but not the obligation, to provide the Securityholder with information on the amounts it has paid to the FI. The Issuer may also decide to include the type and amount of fees and remuneration which the Issuer will pay in the the Final Terms.

Prospective Investors should be aware that such remunerations may, depending on the circumstances, cause conflicts of interests at the FI; FIs are obliged, however, to implement organizational measures designed to prevent that such conflicts of interests adversely affect the interests of their clients. Further information may be requested from the Issuer, the Lead Manager or the FI.

Each Securityholder authorizes the Issuer and/or the Lead Manager to receive remuneration, discounts, and/or soft commissions (the “**Retrocessions**”) of the Issue Price from third parties (including affiliated companies), in particular from the issuers, managers or lead managers of financial products or indexes that serve as Underlying Asset. If and to the extent such Retrocessions, on the basis of statutory law, would have to be credited to the Securities or forwarded to the Securityholder, each Securityholder hereby takes note and unconditionally accepts that the Issuer and/or the Lead Manager will retain and keep such Retrocessions as an additional remuneration. Each Securityholder hereby expressly waives any right to the restitution of such remuneration. Further information may be requested from the Issuer, the Lead Manager, or the FI.

10. Agents

The appointed Agents and their offices (which can be substituted with other offices) are specified in the Final Terms. Any Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

None of the involved Agents according to the Final Terms or the Issuer shall have any responsibility in respect of any error or omission or subsequent correction made in the calculation or publication of any amount in relation to the Securities, whether caused by negligence or otherwise (other than gross negligence or willful misconduct). Further, the Securityholders shall not be entitled to make any claim against the Issuer, its affiliates, or the Calculation Agent in the case where any third party has made any misstatement as to a Reference Entity including its Reference Obligation, Reference Rate (if any) or other interest component.

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, including Agents for specific countries which as of the Issue Date for an issue of Securities shall be specified in the Final Terms, provided that no termination of appointment of an Agent shall become effective until the replacement Agent shall have been appointed and provided that, if and to the extent that the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country if so required by the rules and regulations of each such stock exchange and/or the Securities regulators in each such jurisdiction.

(a) Calculation Agent

The Calculation Agent does not act as agent for the Securityholders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

All calculations, decisions and determinations made by the Calculation Agent shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer, the Paying Agent and the Securityholders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party, as it deems appropriate.

(b) Paying Agent

The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint another paying agent provided that (i), so long as any Securities are outstanding, it will maintain a Paying Agent (ii), so long as there are Securities listed on SIX, there will be a Paying Agent with a specified office in Switzerland and (iii) no Paying Agent authorized to make any payment or delivery may be located in, or acting from, the United States or its possessions. Any change in the specified office of the Paying Agent will be given to the Securityholders in accordance with Condition 19 "Notices" of the General Terms & Conditions.

Any determinations, decisions and calculations by the Paying Agent shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer and the Securityholders.

(c) Exercise Agent

If specified in the Final Terms and in particular in the case of Securities containing American Option types (i.e. leveraged securities that may be exercised at any time during their term up to the expiry

date by the specified time), a written Exercise Notice must be submitted to the Exercise Agent within the Exercise Period in order to exercise the Option right in accordance with Condition 19 “Notices” of the General Terms & Conditions. If the Exercise Notice is received by the Exercise Agent after the specified exercise time, the following Business Day shall be deemed to be the Exercise Date. The receipt of the Exercise Notice by the exercise agent by the correct time is sufficient to ensure compliance with the Exercise Period.

In the case of Securities of the European Option type (i.e. Leverage Products that may only be exercised on their expiry date by the specified time), on the other hand, a written Exercise Notice must be submitted to the exercise agent on the expiry date in accordance with Condition 19 “Notices” of the General Terms & Conditions at the latest by the time specified in the Final Terms in order to exercise the Option right. The receipt of the Exercise Notice by the exercise agent by the correct time is sufficient to ensure compliance with the Exercise Period.

(d) *Collateral Provider*

A Collateral Provider has to be defined in case of Securities issued under a collateral arrangement (as further described in the Section “SIX Collateral Secured Instruments (COSI)”) according to the SIX “Framework Agreement for Collateral Secured Instrument”. Unless specified otherwise in the Final Terms and in case of COSI Securities, the appointed Collateral Provider is Bank J. Safra Sarasin Ltd.

(e) *SIX Representative*

In case of SIX listed Securities and in accordance with Article 43 of the SIX Listing Rules, and unless otherwise specified in the Final Terms, the Issuer has appointed Bank J. Safra Sarasin Ltd as recognised representative to lodge the listing application with the regulatory board of SIX Exchange Regulation.

(f) *Notices to Securityholders*

Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

11. Issuer Substitution

The Issuer (or any previous substitute of the Issuer) may, without the consent of the Securityholders and upon written notice in accordance with Condition 19 “Notices” of the General Terms & Conditions, at any time be substituted in respect of all rights and obligations arising under or in connection with the Securities and Interest (if any) for itself by any issuer controlling, controlled by or under common control with the Issuer as the debtor in respect of the Securities (the “New Issuer”), provided that:

- (i) the current Issuer is not in default in respect of any amount payable under the concerned Securities;

- (ii) the current Issuer and the New Issuer have entered into a written agreement (the “Issuer Substitution Agreement”) as are necessary to give effect to the substitution and in which the New Issuer has undertaken in favor of each Securityholder to be bound by the Security Documentaion as the debtor in respect of the concerned Securities in place of the Issuer (or of any previous substitute);
- (iii) if the New Issuer is resident for tax purposes in a territory (the “New Residence”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “Former Residence”), the Issuer Substitution Agreement contains an undertaking and/or such other provisions as may be necessary to ensure that each Securityholder has no tax disadvantages compared to the Former Residence;
- (iv) the New Issuer and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the New Issuer of its obligations under the Issuer Substitution Agreement; and
- (v) in case of outstanding listed Securities the New Issuer shall be recognized and admitted by the respective Stock Exchanges for listing, trading and/or pricing the Securities.

Upon such substitution, the New Issuer shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under concerned Securities associated therewith with the same effect as if the New Issuer had been named as the Issuer herein, and the Issuer shall be released from its obligations under these Securities.

After a substitution the New Issuer may, without the consent of the Securityholders, effect further substitutions. All the provisions specified in this specific Condition shall apply mutatis mutandis, and references in the Security Documentation to the current Issuer shall, where the context so requires, be deemed to be or include references to any such further New Issuers.

12. Payments

Unless otherwise specified herein, Prospective Investors shall assume and be responsible for any and all taxes, duties, fees (such as brokerage commissions, foreign exchange transaction costs) and charges imposed on or levied against (or which could be imposed on or levied against) such Investors in any jurisdiction or by any governmental or Government Authority.

The Issuer shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to the Investor such amount as is necessary for the payment of any such taxes, duties, fees and/or charges. In any case where any Governmental Authority imposes on the Issuer the obligation to pay any such taxes, duties, fees and/or charges the Investor shall promptly reimburse the Issuer.

Before acquiring the Securities, Prospective Investors should inform themselves of all costs incurred with the purchase or sale of the Securities, including any costs charged by their custodian banks upon purchase and redemption of the Securities.

(a) Method of Payment

The Issuer credits the Paying Agent in a timely fashion and the account of the Securityholders on every payout date (e.g. coupon dates or Interest dates and redemption date). Interest and other amounts payable on the Securities will be made available in good time in freely disposable currency at Bank J. Safra Sarasin Ltd on behalf of the Securityholders. The Security servicing includes any cash flow transactions and physical deliveries between the Issuer and the Securityholders.

(b) Payment Day

If the date for payment of any amount in respect of any Security is not a Payment Day, the Securityholder shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the Final Terms), "Payment Day" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (A) the relevant place of presentation; and (B) any Financial Centre specified in the Final Terms; and
- (ii) in relation to any sum payable in a specified Currency, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant financial centre of the country of the relevant specified Currency.

(c) Interpretation of the Principal Amount and Interest

Any reference in the Conditions to the Outstanding Principal Amount or Aggregate Nominal Amount in respect of the Securities shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Securities;
- (ii) the Early Redemption Amount of the Securities;
- (iii) the Optional Redemption Amount(s) (if any) of the Securities;
- (iv) in relation to Instalment Securities, the Instalment Amounts;
- (v) in relation to Zero Coupon Securities, the Amortised Face Amount; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Securities,

and shall be deemed to exclude any amount written off or converted (if any).

(d) Business Day Convention

If a date set out in the Final Terms (including, without limitation, the scheduled Maturity Date and

each scheduled Interest Payment Date) falls on a day which is not a Business Day then:

- (i) if the Business Day Convention specified in the Final Terms is “Following” or “Following Business Day Convention”, such date will be the first following day that is a Business Day;
- (ii) if the Business Day Convention specified in the Final Terms is “Modified Following” or “Modified Following Business Day Convention”, such date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case such date will be the first preceding day that is a Business Day; and
- (iii) if the Business Day Convention specified in the Final Terms is “Preceding” or “Preceding Business Day Convention”, such date will be the first preceding day that is a Business Day.

Following Business Day Convention shall apply by default unless otherwise specified in the Final Terms.

13. Interest

This provision only applies to Interest bearing Securities such as Coupon bearing Securities or Income bearing Securities. For non-Interest bearing Securities the following provisions are not applicable. Unless specified in the Final Terms, the Securityholder has no right to dividends, interest or other payments made by the Underlying.

For Securities for which the Issuer has the obligation to pay Interest, all Interest payment provisions are specified in the Final Terms.

(a) Interest on Fixed Rate Securities

Unless otherwise stated in the Final Terms, each Fixed Rate Security bears interest at the applicable Interest Rate on its specified Denomination (as specified, if applicable, in the Final Terms) from and including the Issue Date, or, if specified in the Final Terms, the initial Payment Date, but excluding the Redemption Date or the Maturity Date. The interest payments in respect of each Security will be made in arrears on each Interest Payment Date.

In case the Final Terms provide for a Minimum Interest Rate (Floor) and/or a Maximum Interest Rate (Cap) and the Interest Rate falls below such Minimum Interest Rate or is above such Maximum Interest Rate, the Interest Rate shall be the Minimum Interest Rate or the Maximum Interest Rate, respectively.

(b) Interest on Floating Rate Securities

If the Final Terms provide for the determination of a Floating Rate, the Calculation Agent shall determine the relevant fixing of the applicable Floating Rate in accordance with the Final Terms.

If the source specified in the Final Terms for the determination of the relevant Floating Rate does not publish the relevant fixing on the relevant fixing date, then the Calculation Agent shall, if possible, determine a fixing for the Floating Rate either:

- (A) from an alternative or successor price source which the Calculation Agent determines is under the then prevailing circumstances available and which is also recognized as a source for the relevant rate (which shall be the Floating Rate); or
- (B) on the basis of quotations for the rate for deposits in the relevant Currency for a period of the Designated Maturity and in such amount as the Calculation shall determine from four (or such other number as the Calculation Agent may determine having regard to market conventions) major banks or leading dealers (the “Reference Banks”) in the relevant market selected by the Calculation Agent in its discretion. If two or more of the Reference Banks provide the Calculation Agent with such quotations, the Floating Rate shall be the arithmetic mean of such quotations, as determined by the Calculation Agent. If only one or none of the Reference Banks provides the Calculation Agent with such quotations, the Floating Rate shall be determined by the Calculation Agent in its discretion (including, without limitation, on the basis of the last available fixings of the corresponding Floating Rate prior to the relevant fixing date),

provided that if the relevant Floating Rate ceases to be available or published (such as the LIBOR® for a term of e.g. four (4) months) and there is no successor for such Floating Rate, but floating rates for different terms continue to be available and published, the Floating Rate in question shall be calculated by linear interpolation of available floating rates which correspond to the next longer and shorter term.

If a determination of a Floating Rate has to be made in respect of a period which is shorter or longer than the Designated Maturity (other than for reasons due to adjustments in accordance with the applicable Business Day Convention), the applicable Floating Rate for such period shall be determined by linear interpolation of (a) the applicable Floating Rate corresponding to the Designated Maturity for which the applicable Floating Rate is typically quoted and which is next shorter than the period and (b) the applicable Floating Rate corresponding to the Designated Maturity for which the applicable Floating Rate is typically quoted and which is next longer than the period.

(c) Interest based on specific underlying trigger events

In case of Securities with Interest based on specific Underlying trigger event (e.g. Coupon Barrier), the Final Terms will provide all the details for the determination of the Interest and the Calculation Agent shall determine the relevant Interest Amount in accordance with the provision contained in the Final Terms.

(d) Interest based on underlying distribution

In case of Securities with Income payment based on the Underlying distributions, the Final Terms will provide all the details for the determination of the Income and the Calculation Agent shall determine the relevant Income amount in accordance with the provision contained in the Final Terms.

(e) Day Count Fraction

Day Count Fraction means, in respect of the calculation of an amount of interest for any period of time:

- (i) in case “**actual/actual (ICMA)**” is specified in the Final Terms:
 - (A) in the case of Securities where the number of days in the relevant period from and including (unless otherwise specified in the Final Terms) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding (unless otherwise specified in the Final Terms) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;
 - (B) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of the number of days in such Determination Period and the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of the number of days in such Determination Period and the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;
- (ii) in case “**actual/actual (ISDA)**” or “**actual/actual**” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (iii) in case “**actual/365 (fixed)**” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) in case “**actual/365 (sterling)**” is specified in the Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) in case “**actual/360**” is specified in the Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) in case “**30/360**”, “**360/360**” or “**bond basis**” is specified in the Final Terms, the number of days in the period from and including (unless otherwise specified in the Final Terms) the most

recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding (unless otherwise specified in the Final Terms) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360; or

- (vii) in case “**30E/360**” or “**eurobond basis**” is specified in the Final Terms, the number of days in such period in respect of which payment is being made 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 such period unless, in the case such period ends on the scheduled Maturity Date and the scheduled Maturity Date is the last day of the month of February, the month of February shall not be considered to be lengthened to a 30-day month); or
- (viii) otherwise specified in the Final Terms.

“**Determination Period**” means each period from and including an Interest Determination Date to but excluding the next Interest Determination Date (unless otherwise specified in the Final Terms), where either the Interest Commencement Date or the final Interest Payment Date is not a Interest Determination Date, the period commencing on the first Interest Determination Date prior to, and ending on the first Interest Determination Date falling after, such date.

(f) *Adjusted or Unadjusted Business Day Convention*

If the first and/or last day of a period in respect of which an Interest Amount is to be calculated falls on a day that is not a Business Day, then solely for purposes of calculating the applicable Day Count Fraction (and the Interest Amount payable under the Securities), such day shall

- (i) if Unadjusted is specified in the Final Terms, not be adjusted in accordance with the applicable Business Day Convention; and
- (ii) if Adjusted (or neither Adjusted nor Unadjusted) is specified in the Final Terms, be adjusted in accordance with the applicable Business Day Convention.

(g) *Interest Amount*

The Calculation Agent will, as soon as practicable after each time at which the Interest Rate is to be determined, calculate the amount of interest (the “**Interest Amount**”) payable on the Securities in respect of each specified Denomination for the relevant Interest Period in accordance with the interest provisions provided for in the Final Terms.

(h) *Notification of the Interest Amounts*

The Calculation Agent will notify the Securityholders and, if applicable and required by the Final Terms or by the rules of the relevant Stock Exchange, of the Interest Amount for each Interest Period, the Interest Period and the relevant Interest Payment Date as soon as reasonably practicable after the determination thereof. Each Interest Amount, Interest Period and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements by way of adjustment may be made) provided that any such amendment or alternative arrangement will as soon as reasonably practicable be notified to the Securityholders and the relevant Stock Exchange

(if applicable). Failure of the Calculation Agent to provide the Securityholders or, as the case may be, the relevant Stock Exchange with such notice shall not affect the validity of the actions described above.

14. Exercise and Exercise Terms

The General Terms & Conditions, if specified in the Final Terms, may incorporate a right of exercise and may specify the related exercise terms as well as restrictions to exercise, if any. The rules applying to the individual Securities should be taken from the Final Terms.

(a) Exercise Style

American Exercise Style

In the case of Securities (generally leveraged products) with an American exercise style, the Exercise Period indicates the period during which the respective exercise Right may be executed. The exercise right may be executed on any Trading Day up to the last Exercise Date until a specified time. Securities with American exercise style that are not exercised, or not validly exercised, at or before the specified time on the last Exercise Date shall become worthless and expire without the right to compensation.

European Exercise Style

In the case of Securities (generally leveraged products) with a European exercise style, the Exercise Period indicates the Exercise Date on which the exercise right may be executed. The exercise right may only be exercised on that particular date before a specified time.

Securities with a European exercise style and Cash Settlement, unless otherwise specified in the Final Terms, are exercised automatically by the Issuer if they have an Intrinsic Value at the specified time.

Bermudan Exercise Style

In the case of Securities (generally leveraged products) with a Bermudan exercise style, the Exercise Period indicates the specified Exercise Dates in the Final Terms. If the Exercise Date is not a Business Day, the next following Business Day will apply. The right to exercise may only be exercised on these particular days before a specified time.

(b) Automatic Exercise

In case the Final Terms specifies that the Securities are automatically exercised on the Exercise Date (e.g. Final Fixing Date, Redemption Date), then (i) the Exercise Notice will not need to be delivered, unless otherwise specified in the Final Terms; and (ii) Securities shall automatically be exercised on the Exercise Date if the Redemption Amount is positive.

However, if Automatic Exercise has not been specified in the Final Terms, any exercisable Security not exercised by the last Exercise Date shall expire worthless on such day and the Issuer shall have no further obligations in respect of any such Security.

(c) Terms of Exercise

Exercise Notice

Beside of Automatic Exercise, the Securities (in particular Warrants, Spread Warrants and Knock-Out Warrants) must be submitted by a written Exercise Notice to the Exercise Agent within the Exercise Period in order to correctly execute the Security right. The exercise of Securities is deemed to have taken place on the Business Day on which the written Exercise Notice has been received by the Exercise Agent at the latest at 12.00 noon Central European Time (unless a different time is specified in the Final Terms) in order to execute the exercise right on the same Business Day. If the Exercise Notice is received by the Exercise Agent after that time or if the Exercise Notice is received by the Exercise Agent after the relevant settlement or closing price at the corresponding reference market (or Reference Exchange) of the Underlying as defined in the Final Terms, the following Business Day shall be deemed to be the Exercise Date.

Any Exercise Notice received by the Exercise Agent which is not duly completed, is considered null and void, and a new - duly completed - Exercise Notice must be submitted. The receipt of the Exercise Notice by the Exercise Agent by the correct time is sufficient to ensure compliance with the Exercise Period.

If the Final Terms specifies that the Securities will not be exercised automatically on the corresponding Exercise Date or Dates, Securities that are not validly exercised by the specified time on the (last) Exercise Date, shall become worthless and expire without the right to compensation.

Delivery of an Exercise Notice by the Securityholder is irrevocable.

Content of the Exercise Notice

Upon receipt of an Exercise Notice from a Securityholder, the Exercise Agent shall review such Exercise Notice in order to ensure that it has been duly completed. If, in the determination of the Exercise Agent (i) the Exercise Notice is incomplete or not in proper form; or (ii) sufficient Securities or sufficient funds equal to any applicable taxes and duties and the aggregate Strike Level (if any) are not available in the specified account(s) with the relevant Clearing System on the Exercise Date; that Exercise Notice will be treated as null and void. A duly completed Exercise Notice shall:

- (i) specify the name and address of the exercising Securityholder;
- (ii) specify the number of Securities being exercised by the Securityholder (which must not be less than the Minimum Exercise Number);
- (iii) specify the account number at the relevant Clearing System to be debited with the Securities being exercised and irrevocably instruct, or, as the case may be, confirm that the Securities Account Holder has irrevocably instructed the relevant Clearing System to debit the Securityholder's account with the Securities being exercised and credit the same to the account of the Paying Agent;
- (iv) specify the account number at the relevant Clearing System to be credited with the Redemption Amount for the Securities being exercised; or, as the case may be, specify the account number with the relevant Clearing System to be credited with the relevant Underlyings or the delivery details for such Underlyings;

- (v) include a Securityholder's accordance to the Paying Agent and the Exercise Agent, acting on the Issuer's behalf, to pay any applicable taxes and duties due by reason of exercise of the relevant Securities and instruct, in case of unlisted Warrants, the relevant Clearing System to deduct an amount in respect thereof from any Redemption Amount due to the Securityholder (on, or at any time after, the Redemption Date) and to debit a specified account of the Securityholder with an amount in respect thereof;
- (vi) confirm that the Securityholder is not a U.S. Person and that the Securities are not being exercised on behalf of a U.S. Person; and
- (vii) specify any other details as the Final Terms may require.

Limitation on Exercisability

In case of a requirement of a minimum number of Securities exercisable (the "**Minimum Exercise Number**") by a Securityholder on any Exercise Date, this will be specified in the Final Terms. Any Exercise Notice which declares to exercise Securities in an amount less than the relevant Minimum Exercise Number shall be treated as null and void.

In case of American Exercise Style and if the Paying Agent determines that the number of Securities being exercised on an Exercise Date other than the last Exercise Date exceeds the maximum exercise number (the "**Maximum Exercise Number**"), as specified in the Final Terms, the Issuer may deem the Exercise Date for the first Maximum Exercise Number of such Securities to be such day. The Exercise Date for each additional Maximum Exercise Number corresponds to be each of the succeeding Business Days until all such Securities have been attributed with an Exercise Date. If the deemed Exercise Date for any such Securities would fall after the Expiration Date, the deemed Exercise Date shall be the Expiration Date. Where the number of Securities exercised on an Exercise Date exceeds the Maximum Exercise Number, the order of settlement shall be chronological according to the receipt order of the relevant validly Exercise Notices. The Issuer may, at any time, in its sole discretion (billiges Ermessen), accept more Securities than the Maximum Exercise Number for exercise on any Exercise Date.

(d) *Physical Settlement*

In the case of Securities with Physical Settlement, the respective Underlying is delivered physically – where applicable – on exercise or on redemption date (i.e. in the case of the Call Product type, representing the Securityholder's right to purchase an Underlying at a predefined purchase price „the exercise price”, or receive a corresponding Cash Settlement) or, in the case of the Put Product type, representing the Securityholder's right to sell an Underlying at the predefined sell price „the exercise price” or receive a corresponding Cash Settlement).

Call Product type

In respect of Call Product type (e.g. Call Warrants, Call Knock-Out Warrants) execution exercise rights with a Physical Settlement election of the Underlyings and subject to the Securityholder payment amount of a predefined purchase price (e.g. Strike Price plus any applicable taxes and duties, if any), the Issuer shall, prior to the Redemption Date, deliver or procure the delivery of the relevant number of Underlyings in respect of each Security to the Paying Agent for credit to the account of the Securityholders specified in the relevant Exercise Notice on the Redemption Date. The Issuer shall be entitled, if it so elects, to divide any Underlyings to be transferred into such number of lots of such size as it desires to facilitate its delivery obligations.

Put Product type

In respect of Put Product type (e.g. Put Warrants, Put Knock-Out Warrants), execution exercise rights with a Physical Settlement election of the Underlyings and subject to the delivery of the relevant number of Underlyings from the Securityholders in respect of each Security, the Issuer shall, prior to the Redemption Date, transfer (or cause to be transferred) the payment amount of a predefined sell price (e.g. Strike Price less any applicable taxes and duties, if any) to the Paying Agent, for value on the Redemption Date, and on the Redemption Date the Paying Agent shall, subject to the relevant number of Underlyings having been transferred, cause an account of the Securityholder to be credited with such amount for value on the Redemption Date.

Fractions of Underlyings

If not otherwise specified in the relevant Final Terms, any fractions resulting from the Physical Settlement of the Underlying are settled by a cash payment based on the closing price of the Underlying on the Valuation Date or Final Fixing Date. The aggregation of such fractions for all acquired Securities by a single Securityholder for the purpose of delivering an Underlying will not be made even if the fractions would, in pure mathematical terms, result in delivery of more Underlyings.

Application for entry in the Underlying register

In the case of Physical Settlement, the following shall apply with respect to application for entry in the Underlying register. If registered Underlyings are delivered as a result of the exercise of the Securities, it is the responsibility of the Securityholder to submit the application for entry in the Underlying register of the relevant company. If the application to be recognised as a shareholder entitled to vote is rejected, this shall not affect the validity of the exercise of the Securities.

Settlement Disruption

If a Settlement Disruption has occurred and is continuing on the last day of the Delivery Period, the Issuer shall in respect of the Securities being exercised, in lieu of delivering the number of Underlyings to which these Securities relate, pay as soon as commercially possible the Redemption Amount and, for the calculation of the Redemption Amount, the Final Fixing Date shall be determined by the Calculation Agent at its sole executed discretion, but in accordance with established market practice.

The Issuer shall decide at its own discretion if a Settlement Disruption based on, but not limited to, extraordinary circumstances, events or incidents, Disruption Events or major disturbances in the economic and political situation have occurred. The Issuer accepts no liability for any (consequential) damages suffered by the Securityholders as a result of or on the basis of such Cash Settlement (paid instead of the (physical) delivery of Securities originally provided for in the Final Terms), unless the (consequential) damages are attributable to a breach by the Issuer of its duty of care or to its gross negligence.

The Issuer shall inform the Securityholders as soon as possible of decisions relating to the payment of a corresponding Cash Settlement (in state of the Physical Settlement of Securities originally defined in the relevant Final Terms).

Such Redemption Amount shall be determined on the basis of the Fair Market Value of the Underlying on such Final Fixing Date. The Issuer shall pay the corresponding Redemption Amount (if any) to the Investor as soon as commercially possible in accordance with established market practice.

(e) Cash Settlement

In case of Securities with Cash Settlement, the Calculation Agent shall, on the next Business Day following the Exercise Date, determine, in its sole executed discretion, but in accordance with established market practice, the Redemption Amount (if any) to be paid in respect of the Securities being exercised.

Prior to the Redemption Date, the Issuer shall, in respect of the exercised Securities, transfer (or cause to be transferred) the Redemption Amount to the Paying Agent, for value on the Redemption Date, and on the Redemption Date the Paying Agent shall, subject to the exercised Securities having been transferred and to the payment of the related taxes and duties, if any, having been received, cause an account of the Investor to be credited with such amount for value on the Redemption Date.

(f) Settlement at Issuer choice

In the case of Securities related to an Underlying in respect of which the Final Terms provides that the Issuer can elect Cash Settlement or Delivery of Underlying, the Issuer shall notify the Paying Agent of its choice of delivering or acquiring Underlyings or paying the corresponding Redemption Amount (if the Redemption Amount is a positive amount) not later than 10:00 a.m. Central European Time on the second Business Day following the Exercise Date (unless otherwise specified in the Final Terms), and the Paying Agent shall cause the same to be notified to the relevant Clearing System and/or the relevant Securities Account Holder accordingly.

(g) Cash distribution of the Underlying

In the event that the involved Underlying of an exercised Security has declared a cash distribution (e.g. dividend) in respect of its Underlying and the first date on which such Underlyings are quoted ex-cash distribution (e.g. ex-dividend) on the Reference Exchange falls after the relevant Exercise Date but (i) in the case of Cash Settlement, on or prior to the relevant Valuation Date or Final Fixing Date (except where the Valuation Date or Final Fixing Date is the Exercise Date) or (ii) in the case of Physical Settlement of the Underlying, on or prior to the Redemption Date, then, as the case may be:

- (i) in the case of Cash Settlement, the Redemption Amount related to such Security shall be increased by a cash amount equal to such cash distributions attributable to such Underlying less the amount equal to the value of any related tax credit(s); or
- (ii) in the case of Physical Settlement of the Underlying, the Securityholder will be entitled to receive a cash amount equal to such cash distributions attributable to the number of Underlyings to which such Securities relate on the relevant Redemption Date less the amount equal to the value of any related tax credit(s).

(h) Mini-Futures and Knock-Out Warrants

For Mini-Futures and Knock-Out Warrants the following provisions apply with respect to exercise – unless the Final Terms provide otherwise:

- (i) beside the scheduled Expiry Date, if applicable, of the Mini-Futures and Knock-Out Warrants, the Redemption Date may occur at any time (even on or immediately after the Issue Date)

- and is set up (i) a termination by the Issuer; (ii) the occurrence of a Stop-Loss Event (in the case of Mini-Futures) or of a Knock-Out Event (in the case of Knock-Out Warrants) or (iii) an Exercise Notice from the Securityholder;
- (ii) the Redemption Amount shall be calculated by the Issuer of the Mini-Futures or Knock-Out Warrants and shall be binding for the Securityholders;
 - (iii) from the First Exercise Date (“First Exercise Date”) the Securityholders of Mini-Futures or Knock-Out Warrants shall have the right to exercise the Mini-Futures or Knock-Out Warrants on that day and each following Trading Day (“Investor’s Exercise Right”). Exercise shall entitle the Securityholders to payment of the corresponding Redemption Amount by the Issuer;
 - (iv) in order for the right arising from Mini-Futures or Knock-Out Warrants to be validly exercised, the Securityholder must issue an Exercise Notice to the Exercise Agent with a copy to the Clearing System. The Exercise Notice must be received by the Exercise Agent at the latest at 12.00 noon Central European Time (unless a different time is specified in the Final Terms) and cannot be withdrawn, in order for the Securities to be considered exercised on the relevant Exercise Date. If the Exercise Notice is received by the Exercise Agent after that time or if the Exercise Notice is received by the Exercise Agent after the relevant settlement or closing price at the corresponding reference market (or Reference Exchange) of the Underlying as defined in the Final Terms, the following Business Day shall be deemed to be the Exercise Date. After the delivery of a valid Exercise Notice, further transfers of these Securities are not permitted. If the Exercise Notice becomes effective on the same day but before a Stop-Loss Event or Knock-Out Event, the Exercise Notice takes precedence;
 - (v) the Issuer is entitled at all times, without a specification of the reasons, to terminate Mini-Futures or Knock-Out Warrants. The termination becomes effective at the time of the publication of the notice in accordance with Condition 19 “Notices” of the General Terms & Conditions;
 - (vi) if Mini-Futures or Knock-Out Warrants become due for redemption as a result of a termination, the occurrence of a Stop-Loss Event (in the case of Mini-Futures) or of a Knock-Out Event (in the case of Knock-Out Warrants) or an Exercise Notice from the Securityholder of Mini-Futures, a Cash Settlement will be paid in accordance with the provisions specified in the Final Terms. In this regard, the relevant time for the calculation of the Cash Settlement Amount is different depending on why it has become due. In the case of a termination or Exercise Notice, generally the closing price of the Underlying applies. In case of Stop-Loss Event or of Knock-Out Event with continuous monitoring, generally the price of the Underlying during trading hours applies, and Stop-Loss Event or of Knock-Out Event with discrete monitoring, the closing price of the Underlying applies.
 - (vii) the Redemption Amount shall be calculated by the Issuer of the Mini-Futures or Knock-Out Warrants and shall be binding for the Securityholders;
 - (viii) if the Valuation Date is not a Business Day, the period relating to the payment of the Redemption Amount mentioned in item (vi) above shall not begin until the next following Business Day. The Securityholder is not entitled to interest or another form of compensation as a result of any such delay in payment;
 - (ix) all taxes and fees or other levies that may be incurred in connection with the payment of the

Redemption Amount shall be borne by the Securityholders. The Paying Agent or institution responsible for payments relating to these Securities shall be entitled to withhold any taxes, fees or levies payable by the Securityholder from the Redemption Amount;

- (x) settlement of the Mini-Futures or Knock-Out Warrants is subject to all laws, regulations, administrative requirements and procedures applying on the Valuation Date. The Issuer shall not be responsible for the eventuality that, as a result of these requirements and procedures, it is not in the position to meet its obligations in accordance with items (i) to (ix) above despite making all reasonable efforts to do so, nor for actions or omissions by settlement agents arising from or in connection with the performance of the obligations arising from these Securities. Neither the Issuer, nor the Exercise Agent, nor the Calculation Agent nor the Paying Agent shall be obliged to check the entitlement of the Securityholders.

15. Redemption

(a) *Scheduled Redemption*

Unless previously redeemed, written off, converted, or purchased and cancelled as specified below, each Security will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Final Terms in the relevant specified Currency on the Redemption Date or by instalments in the Instalment Amount(s) and on the Instalment Date(s) specified in the Final Terms (in the case of a Security redeemable in instalments).

Unless otherwise specified in the Final Terms the Securities will be redeemed automatically on the Redemption Date, and the settlement will be Cash Settlement and/or Physical Settlement as specified in the Final Terms.

(b) *Open-End Securities*

Open-End Securities have no predefined fixed Maturity Date and thus no defined term. As a result, the Issuer has a callable right to redeem Open-End Securities in accordance with the procedure described in Condition 15(d) "Early Redemption according to Issuer Option ("Issuer Callable Right")" below on any Early Redemption Date or Redemption Date, respectively, as specified in the Final Terms, or, if any such Early Redemption Date or Redemption Date is not a Business Day, the next following date that is a Business Day.

(c) *Extendible Securities*

In the case the Security feature "**Extendible**" is specified to be applicable in the Final Terms of a specific Security, the Issuer is, in accordance with the Conditions of the Securities, entitled to extend or prolong the terms of the Securities, by giving notice to the Securityholders in accordance with Condition 19 "Notices" of the General Terms & Conditions prior to the then existing Expiration Date (or any later expiration date resulting from any extension of the maturity of the Securities) the maturity of all then outstanding Securities for additional periods (the "**Issuer Extension Option**"). There is no limit to the number of times the Issuer may extend the maturity of the Securities. In case that the Issuer exercises the Issuer Extension Option and unless no Securityholder exercises in accordance with the Conditions of the Securities its non-extension option, the Securityholders will receive any final payments under the extended Securities later than scheduled at the Issue Date of

the Securities.

(d) *Early Redemption according to Issuer Option (“Issuer Callable Right”)*

If the Issuer Callable Right is specified in the Final Terms, the Issuer may, subject and pursuant to prior Early Redemption Notice Period defined in the Final Terms, notice to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions to redeem all or a part of outstanding Securities on the Early Redemption Date(s) and at the Early Redemption Amount(s) as provided in the provisions below of Condition 15(f) “Early Redemption Amount” specified in, or determined in the manner specified in, the Final Terms together, if appropriate, with interest accrued to but excluding (unless otherwise specified in the Final Terms) the Early Redemption Date(s).

Any such redemption must be not less than the Minimum Redemption Amount and not higher than the Maximum Redemption Amount, both as indicated (if at all) in the Final Terms. In the case of a partial redemption of the Securities, the Securities to be redeemed will be selected individually by lot.

(e) *Early Redemption according to the Securityholders Option (“Investor Puttable Right”)*

If the Investor Puttable right is specified in the Final Terms, upon the Securityholder giving to the Issuer pursuant to prior Optional Redemption Notice Period defined in the Final Terms, notice in accordance with Condition 19 “Notices” of the General Terms & Conditions (which notice shall be irrevocable) to redeem in whole (but not in part) of its outstanding Securities. The Issuer will, upon the receipt of such notice, redeem, subject to and in accordance with, the terms specified in the Final Terms, such Security on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the Final Terms together, if appropriate, with interest accrued to but excluding (unless otherwise specified in the Final Terms) the Optional Redemption Date. It may be that before a Securityholder can exercise its puttable right, certain conditions and/or circumstances will need to be satisfied. Where applicable, the provisions will be set out in the Final Terms.

To exercise the right to require redemption of its Securities, the Securityholder must deliver at the specified office of the Issuer at any time during normal business hours a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the Issuer (a “Puttable Right Notice”) and in which the Securityholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made accompanied by this Security or evidence satisfactory to the Issuer concerned that this Security will, following delivery of the Puttable Right Notice, be held to its order or under its control.

(f) *Early Redemption Amount*

Each Security will be redeemed at the amount specified or determined in the manner specified in the Final Terms or, if no such amount or manner is so specified in the Final Terms, at the Outstanding Principal Amount.

(g) *Automatic Early Redemption*

If the Final Terms contains an Automatic Early Redemption provision in respect of the Securities and an Automatic Early Redemption Event has occurred on a corresponding “Automatic Early

Redemption Observation Date”, the Securities shall be redeemed at the “Automatic Early Redemption Amount” on the “Automatic Early Redemption Date” immediately following such “Automatic Early Redemption Observation Date”.

For purposes of this specific Condition, the following terms shall have the following meanings:

“Automatic Early Redemption Amount” means, in respect of each Security one-hundred (100) percent of the Denomination unless otherwise specified in the Final Terms.

“Automatic Early Redemption Date” means each Early Redemption Date(s) specified in the Final Terms.

“Automatic Early Redemption Event” shall occur if the predefined Automatic Early Redemption Underlying Asset is (i) if specified in the Final Terms that “greater than or equal to” shall apply, greater than or equal to; or (ii) if specified in the Final Terms that “greater than” shall apply, greater than; or (iii) if specified in the Final Terms that “less than or equal to” shall apply, less than or equal to; or (iv) if specified in the Final Terms that “less than” shall apply, less than, the Automatic Early Redemption Trigger Level.

“Automatic Early Redemption Observation Date” means in respect of an Automatic Early Redemption Date, the day falling on the number of Business Days specified in the Final Terms in the Relevant Financial Center prior to such Automatic Early Redemption Date or, if no such number is so specified, the day falling on the fifth Business (unless otherwise specified in the Final Terms) Day prior to such Automatic Early Redemption Date.

“Automatic Early Redemption Underlying Asset” means, in respect of an Automatic Early Redemption Observation Date, the offered quotation (if there is only one quotation on the Relevant Screen Page specified in the Final Terms) or the arithmetic mean (unless otherwise specified in the Final Terms the Cash Settlement Amount will be rounded to two (2) decimal places, provided that 0.005 is rounded down) of the offered quotations (if there are two or more quotations on the Relevant Screen Page) for the predefined Automatic Early Redemption Underlying Asset for the specified Maturity and the specified Currency which appears or appear, as the case may be, on the Relevant Screen Page on which the predefined Automatic Early Redemption Underlying Asset is for the time being displayed at the Relevant Time on such Automatic Early Redemption Observation Date, provided that if such rate does not appear on such Relevant Screen Page at the Relevant Time on such Automatic Early Redemption Observation Date, the Issuer and/or Calculation Agent will in its sole and absolute discretion, determine such rate (or a method for determining such rate) for such Automatic Early Redemption Observation Date, taking into consideration all available information and acting in good faith and in a commercially reasonable manner.

“Automatic Early Redemption Trigger Level” means the Automatic Early Redemption Trigger Level as specified in the Final Terms.

(h) *Instalments*

Amortizing Securities will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to the provisions of Condition 15(f) “Early Redemption Amount” above.

(i) Settlement Methods

The redemption methods for the Securities are specified in the Final Terms and may provide for a payment of a Cash Settlement Amount and/or the Physical Settlement Amount (i.e. the delivery of a number of Underlyings).

- (i) If the Issuer is required to pay a cash redemption amount (“Cash Settlement Method”); such amount is specified in the Final Terms, either as a fixed amount, as a percentage of the Denomination or as an amount determined by the Issuer or the Calculation Agent based on a predefined formula. The payment of the Cash Settlement Amount is made in the currency specified in the Final Terms by a credit to the account of the relevant Clearing System for the account of the Securityholder.
- (ii) If the Issuer is required to physically deliver Underlyings (“Physical Settlement Method”), the number of Underlyings to be delivered is specified in the Final Terms, either as a fixed number or as number to be calculated by the Issuer or the Calculation Agent based on a predefined formula.
- (iii) Any fractions resulting from the Physical Settlement of the Underlying are settled by a cash payment based on the closing price of the Underlying on the Final Fixing Date. The aggregation of such fractions for all acquired Securities held by a Securityholder for the purpose of delivering an Underlying will not be made even if the fractions would, in pure mathematical terms, result in delivery of more Underlyings.
- (iv) In case of the impossibility to deliver the Underlyings on the due date, the Issuer has the right to pay the equivalent cash value of the Underlying in the currency of the Security. The equivalent cash value will be calculated by the Issuer or the Calculation Agent on the basis of the closing price of the Underlying on the Final Fixing Date.
- (v) Provided that the Securityholder is entitled, as stated in the Final Terms, to the cash distribution relating to the Underlying, and in the event that the relevant Underlying Company has declared a cash distribution payment and the first date on which such Underlyings are quoted ex-date (based on this cash distribution) on the Exchange falls at or prior to the relevant (Final) Fixing Date (except where the Final Fixing Date is the Redemption Date), then:
 - (A) in case of Cash Settlement, the Redemption Amount related to such Underlying shall, in case such cash distribution has not been paid out separately, but be increased by a cash amount equal to such cash distribution attributable to such Underlying less the amount equal to the value of any related tax credit(s); or
 - (B) in case of Physical Settlement of the Underlying, the Securityholder will be entitled to receive a cash amount equal to such cash distribution attributable to the number of Underlyings to which such Securities relate on the relevant Redemption Date less the amount equal to the value of any related tax credit(s).

In case of a Physical Settlement, the delivered Underlyings shall entitle the Securityholder to participate in full in all dividends and other cash distributions made on the Underlying after the Final Fixing Date together with all other rights associated with the delivered Underlying. If the Final Fixing Date coincides with the Underlying ex-date of a cash flow, the Underlying

Instrument shall be delivered ex-cash flow. The same shall apply to any other rights that may be associated with the Underlying.

16. Issuer Purchases and Cancellation

The Issuer may at any time purchase Securities in the open market or otherwise and at any price. Securities purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to Bank J. Safra Sarasin Ltd for cancellation. If purchases are made by tender, tenders for such Securities must be made available to all Securityholders of such Securities alike.

All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold.

17. Issuance of additional Securities

The Issuer reserves the right from time to time and without the consent of the Securityholders to create or issue additional Securities at any time, having the same Terms & Conditions as the original issued Securities (i.e., identical with respect to the Terms & Conditions (apart from the Issue Price and the Issue Date) so as to be consolidated with the Securities already issued.

18. Prescription

Claims against the Issuer in respect of Securities will become void unless presented for payment within a period of 10 years (in the case of the Outstanding Principal Amount) and within 5 years (in the case of interest) from the due date, by virtue of the statute of limitations of Swiss law.

19. Notices

Notices to Securityholders relating to listed Securities will be published in accordance with the regulations of the SIX Exchange Regulation, as in force from time to time and published on the SIX Swiss Exchange website http://www.six-swiss-exchange.com/news/official_notices, on the Issuer's website (if required) or, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange.

Notices to Securityholders of non-listed Securities are normally (i) published on the Issuer's website <http://derivatives.jsafrasarasin.com>, and/or (ii) delivered to the relevant account holder or Clearing System for communication by them to the holders of the Securities. In some particular cases notices to the Securityholders of non-listed Securities may be published, if specified in the Final Terms, in newspapers, on other website or otherwise. If allowed, notices to Securityholders in connection with non-listed Securities shall primarily be made in electronic form.

Notices to the Issuer have to be given to the Issuer by delivering such notice in writing to Bank J. Safra Sarasin Ltd at Elisabethenstrasse 62, CH-4002 Basel or such other address as may be notified to the Securityholders in accordance with this specific Condition.

Any notice so given shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication.

20. Governing Law and Jurisdiction

Unless specified otherwise in the Final Terms, construction and interpretation of the Securities (including the applicable Terms & Conditions in respect of the Securities) are subject to and governed by Swiss substantive law.

(a) *Exclusive Jurisdiction in case of any disputes*

In relation to any dispute arising out of or in connection with the Securities (including the applicable Terms & Conditions in respect of the Securities), the Issuer irrevocably submits, unless specified otherwise in the Final Terms, to the jurisdiction of the civil courts of the Canton of Basel-Stadt (Zivilgericht des Kantons Basel-Stadt), Switzerland with the right of appeal to the Swiss Federal Supreme Court in Lausanne where the law permits, and waives any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Securityholders and shall not limit the right of any of them to take proceedings in any 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).

(b) *Change in Law*

Upon becoming aware of the occurrence of a Change in Law, the Issuer may, in its reasonable discretion:

- (i) make such modifications to the Terms & Conditions of the Securities as may be required such that its performance under the Securities shall no longer be unlawful or impracticable under applicable law, provided that such modifications are effected in such a manner as to preserve insofar as possible and practicable the commercial terms of the Securities prior to such modifications, or
- (ii) redeem the Securities. The Issuer shall as soon as practicable notify the Securityholders of such redemption in accordance with Condition 19 “Notices” of the General Terms & Conditions herein. For purposes of this specific Condition, the Issuer shall determine the settlement value in its reasonable discretion and pay such settlement amount to the Securityholders as soon as practicable following the date of such determination.

“**Change in Law**” means (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) on or after the Issue Date, or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority) on or after the Issue Date, the Issuer determines that (a) it has become illegal for it to hold, acquire or dispose of an investment relating to the Securities or the corresponding Underlying Asset (if any), or (b) it will incur a materially increased cost in performing its obligations under the issued Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

21. Disruption Events

In determining the occurrence of a Disruption Event and taking a particular action as a result of a Disruption Event, the Issuer and the Calculation Agent is under no duty to consider the interests of Securityholders or any other person. In making any determination as to which action to take following the occurrence of a Disruption Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Securities holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

For the purpose of these General Terms & Conditions and unless otherwise specified in the Final Terms, “Disruption Events” means, in respect of the Securities but is not limited to the following events:

(a) *Market Disruption Event*

“Market Disruption” means in case of a “Share” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Share on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,
 - (A) on the Reference Exchange in general (e.g. due to movements in price exceeding limits permitted by the Reference Exchange), or
 - (B) on the Reference Exchange in the Share, provided that a major number or a major part in terms of market capitalization is affected (e.g. due to movements in price exceeding limits permitted by the Reference Exchange), or provided that a major number or a major part in terms of market capitalization is concerned, or
 - (C) on the Relevant Futures and Options Exchange, if Option Contracts on the share are traded there, or
 - (D) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Reference Exchange (e.g. due to movements in price exceeding limits permitted by the Reference Exchange) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Reference Exchange is located, or due to any other reasons whatsoever, or
- (iii) the relevant price is a “limit price”, which means that the price for the Share for a day has increased or decreased from the immediately preceding day’s relevant price by the maximum

amount permitted under applicable rules of the Reference Exchange, or

- (iv) the occurrence of any other event that, in the opinion of the Issuer and/or Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Share.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Reference Exchange announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Reference Exchange or (ii) the submission deadline for orders entered into the Reference Exchange for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of a “**Precious Metal**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Precious Metal on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,
 - (A) in the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, in general (e.g. due to movements in price exceeding limits permitted by the Reference Exchange or the Relevant Reference Market, as the case may be, and as specified in the Final Terms), or
 - (B) in the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, in the Precious Metal, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Reference Exchange or the Relevant Reference Market, as the case may be, and as specified in the Final Terms), or
 - (C) on the Relevant Futures and Options Exchange, if Option Contracts on the Precious Metal are traded there, or
 - (D) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Reference Exchange or the Relevant Reference Market, as the case may be, and as specified in the Final Terms, (e.g. due to movements in price exceeding limits permitted by the Reference Exchange or the Relevant Reference Market, as the case may be, and as specified in the Final Terms)

or due to a moratorium, which is declared in respect of banking activities in the country, in which the Reference Exchange or the Relevant Reference Market is located, or due to any other reasons whatsoever, or

- (iii) the relevant price is a “limit price”, which means that the price for the Precious Metal for a day has increased or decreased from the immediately preceding day’s relevant price by the maximum amount permitted under applicable rules of the Relevant Reference Market or the Reference Exchange, as the case may be, and as specified in the Final Terms, or
- (iv) the occurrence of any other event that, in the opinion of the Issuer and/or Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Precious Metal.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours in the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, or (ii) the submission deadline for orders entered into the Relevant Reference Market or into the Reference Exchange, as the case may be, and as specified in the Final Terms, for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“**Market Disruption**” means in case of an “**Index**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Index or, as the case may be, of the price of a component on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Calculation Agent at its reasonable discretion considers significant,
 - (A) on the Reference Exchange or on the stock exchange(s) or in the market(s) on/in which the components are quoted or traded, in general (e.g. due to movements in price exceeding limits permitted by the Reference Exchange or the stock exchange(s) or the market(s) on/in which the components are quoted or traded), or
 - (B) on the Reference Exchange or on the stock exchange(s) or in the market(s) on/in which the components are quoted or traded, in the Index or, as the case may be, in the components of the Index, provided that a major number or a major part is concerned, (e.g. due to movements in price exceeding limits permitted by the Reference Exchange or the stock exchange(s) or the market(s) on/in which the components are quoted or traded), or

- (C) on the Relevant Futures and Options Exchange, if Option Contracts on the Index or on the components are traded there, or
 - (D) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded (whether by movements in price exceeding limits permitted by the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded or otherwise) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded is located, or due to any other reasons whatsoever, or
- (iii) the relevant price is a “limit price”, which means that the price for a component has, at any point during the last fifteen minutes of trading on the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded, increased or decreased from the previous day’s closing price by the maximum amount permitted under the applicable rules of the Reference Exchange or the stock exchange(s) or the market(s) on/in which the components are quoted or traded, or
 - (iv) the occurrence of any other event that, in the opinion of the Issuer and/or Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Underlying Asset or, as the case may be, the affected Component.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Reference Exchange or (ii) the submission deadline for orders entered into the Reference Exchange or by the stock exchange(s) or the market(s) on/in which the components are quoted or traded for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of a Fund Share, including Exchange Traded Fund, Mutual Fund or Hedge Fund, each an “**Fund Share**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Fund Share on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable

discretion considers significant,

- (A) on the Reference Exchange in general (e.g. due to movements in price exceeding limits permitted by the Reference Exchange), or
 - (B) on the Reference Exchange in the Fund Share, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
 - (C) on the Relevant Futures and Options Exchange, if Option Contracts on the Fund Share are traded there, or
 - (D) if in the Final Terms in the definition of “Redemption Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Reference Exchange (e.g. due to movements in price exceeding limits permitted by the Reference Exchange) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Reference Exchange is located, or due to any other reasons whatsoever, or
- (iii) the relevant price is a “limit price”, which means that the price for the Fund Share for a day has increased or decreased from the immediately preceding day’s relevant price by the maximum amount permitted under applicable rules of the Reference Exchange, or
 - (iv) the occurrence of any other event that, in the opinion of the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Fund Share.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Reference Exchange announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Reference Exchange or (ii) the submission deadline for orders entered into the Reference Exchange for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of a Futures Contract or a Listed Option Contract, each a “**Listed Contract**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Listed Contract on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,

- (A) on the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, in general (e.g. due to movements in price exceeding limits permitted by the Reference Exchange), or
 - (B) on the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, in the Listed Contract, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Reference Exchange, as the case may be, and as specified in the Final Terms), or
 - (C) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (D) due to a directive of an authority or of the Relevant Reference Market or the Reference Exchange, as the case may be, and as specified in the Final Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market or the Reference Exchange, as the case may be, and as specified in the Final Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market or the Reference Exchange, as the case may be, and as specified in the Final Terms, is located, or due to any other reasons whatsoever, or
- (iii) a significant change in the method of price determination or in the trading conditions relating to the Listed Contract on the Relevant Reference Market or on the Reference Exchange, as the case may be, and as specified in the Final Terms, (e.g. in terms of the composition, the quantity or the dealing currency), or
 - (iv) the occurrence of any other event that, in the opinion of the Issuer and/or Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Listed Contract.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading on the Reference Exchange announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Reference Exchange or (ii) the submission deadline for orders entered into the Reference Exchange for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of an “**Interest Rate**” as the Underlying or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Interest Rate on any day relevant for determining any amounts under these Terms & Conditions, or

- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,
 - (A) on the Relevant Reference Market in general (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
 - (B) on the Relevant Reference Market in relation to the interest rate, provided that a major number or a major part is affected (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market), or
 - (C) on a futures and options exchange, if option and futures contracts on the interest rate are traded there, or
 - (D) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Relevant Reference Market (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market is located, or due to any other reasons whatsoever, or
- (iii) a significant change in the trading conditions relating to the interest rate on the Relevant Reference Market (e.g. in terms of the composition, the quantity or the dealing currency), or
- (iv) the occurrence of any other event that, in the opinion of the Issuer and/or the Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Interest Rate.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading on the Relevant Reference Market announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Relevant Reference Market or (ii) the submission deadline for orders entered into the Relevant Reference Market for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of a “**Currency Exchange Rate**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Currency Exchange Rate on any day relevant for determining any amounts under these Terms & Conditions, or

- (ii) a Relevant Country (aa) imposes any controls or announces its intention to impose any controls or (bb) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Issuer and/or Calculation Agent determines is likely to affect the Issuer's and/or any of its affiliates' ability to acquire, hold, transfer or realise the currency used in connection with the currency exchange rate or otherwise to effect transactions in relation to such currency, or
- (iii) the occurrence at any time of an event, which the Issuer and/or the Calculation Agent determine at their reasonable discretion would have the effect of preventing, restricting or delaying the Issuer and/or any of its affiliates from:
 - (A) converting the currency used in connection with the currency exchange rate into the Settlement Currency or into another currency through customary legal channels or transferring within or from any Relevant Country any of these currencies, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be, or
 - (B) converting the currency used in connection with the currency exchange rate into the Settlement Currency or into another currency at a rate at least as favourable as the rate for domestic financial institutions located in any Relevant Country, or
 - (C) delivering the currency used in connection with the currency exchange rate from accounts inside any Relevant Country to accounts outside such Relevant Country, or
 - (D) transferring the currency used in connection with the currency exchange rate used between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country, or
- (iv) a limitation, suspension or disruption or a restriction imposed on trading, the latter of which is in the Issuer's and/or Calculation Agent's opinion significant,
 - (A) in the currency used in connection with the currency exchange rate on the Relevant Reference Market or Reference Exchange in general, or
 - (B) on the Relevant Futures and Options Exchange, if Option Contracts on the currency used in connection with the currency exchange rate are traded there, or
 - (C) if in the Final Terms in the definition of "Settlement Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (D) due to a directive of an authority or of the Relevant Reference Market or Reference Exchange or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market or Reference Exchange is located, or due to any other reasons whatsoever.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days

during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Reference Exchange announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours in the Reference Exchange or (ii) the submission deadline for orders entered into the Reference Exchange for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

“Market Disruption” means in case of a “**Reference Rate**” as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Reference Rate on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,
 - (A) on the Relevant Reference Market, as specified in the Final Terms, in general (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market as specified in the Final Terms), or
 - (B) on the Relevant Reference Market, as specified in the Final Terms, in relation to the Reference Rate, provided that a major number or a major part is concerned (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market, as specified in the Final Terms), or
 - (C) on a futures and options exchange, if option and futures contracts on the Reference Rate are traded there, or
 - (D) if in the Final Terms in the definition of “Settlement Currency” a “Currency Conversion” is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Relevant Reference Market, as specified in the Final Terms, (e.g. due to movements in price exceeding limits permitted by the Relevant Reference Market, as specified in the Final Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market, as specified in the Final Terms, is located, or due to any other reasons whatsoever, or
- (iii) a significant change in the method of price determination or in the trading conditions relating to the Reference Rate on the Relevant Reference Market, as specified in the Final Terms, or
- (iv) the occurrence of any other event that, in the opinion of the Issuer and/or the Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Reference Rate.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Relevant Reference Market, as specified in the Final Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Relevant Reference Market, as specified in the Final Terms, or (ii) the submission deadline for orders entered into the Relevant Reference Market, as specified in the Final Terms, for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

"Market Disruption" means in case of a **"Non-equity Security"** (including a Bond or a Structured Product) as the Underlying Asset or a Basket Component in the Final Terms, the occurrence or existence in respect of any Underlying Asset on any Trading Day or on any number of consecutive Trading Days any one or more of the following events:

- (i) a suspension or a failure of the announcement of the price of the Non-equity Security on any day relevant for determining any amounts under these Terms & Conditions, or
- (ii) a limitation, suspension or disruption of or, subject to the following provisions, a restriction imposed on trading, the latter of which the Issuer and/or Calculation Agent at its reasonable discretion considers significant,
 - (A) in the Relevant Reference Market or on the Reference Exchange, as specified in the Final Terms, in general (*e.g.* due to movements in price exceeding limits permitted by the Relevant Reference Market or the Reference Exchange as specified in the Final Terms), or
 - (B) in the Relevant Reference Market or on the Reference Exchange, as specified in the Final Terms, in the Non-equity Security, provided that a major number or a major part is affected (*e.g.* due to movements in price exceeding limits permitted by the Relevant Reference Market or the Reference Exchange as specified in the Final Terms), or
 - (C) on a futures and options exchange, if option and futures contracts on the Non-equity Security are traded there, or
 - (D) if in the Final Terms in the definition of "Settlement Currency" a "Currency Conversion" is specified to be applicable, on the foreign exchange market(s) in which the rates for the Currency Conversion are determined, if applicable, or
 - (E) due to a directive of an authority or of the Relevant Reference Market or the Reference Exchange, as specified in the Final Terms, (*e.g.* due to movements in price exceeding limits permitted by the Relevant Reference Market or the Reference Exchange as specified in the Final Terms) or due to a moratorium, which is declared in respect of banking activities in the country, in which the Relevant Reference Market or the Reference Exchange, as specified in the Final Terms, is located, or due to any other reasons whatsoever, or

- (iii) the relevant price is a "limit price", which means that the price for the Non-equity Security for a day has increased or decreased from the immediately preceding day's relevant price by the maximum amount permitted under applicable rules of the Relevant Reference Market or the Reference Exchange as specified in the Final Terms, or
- (iv) the occurrence of any other event that, in the opinion of the Issuer and/or the Calculation Agent at their reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Non-equity Security.

Any closing prior to the scheduled trading time or any restriction of the hours or the number of days during which trading takes place is not deemed to be a Market Disruption, if the restriction is based on a change in regular trading hours on the Relevant Reference Market, as specified in the Final Terms, announced in advance at least one (1) hour prior to the earlier of (i) the actual closing time for the regular trading hours on the Relevant Reference Market, as specified in the Final Terms, or (ii) the submission deadline for orders entered into the Relevant Reference Market, as specified in the Final Terms, for execution on the relevant day. A restriction of trading which is levied during the course of any day due to price developments exceeding certain prescribed limits shall only be deemed to be a Market Disruption if such restriction continues until the end of trading hours on the relevant day.

(b) *Settlement Disruption Event*

If the Issuer and/or the Paying Agent determines that an event beyond their control occurs as a result of which the Issuer and/or the Paying Agent cannot or is not allowed to make (i) a payment and/or (ii) a delivery of one or more Underlying Asset(s), in each case to the relevant Clearing System or intermediary as and when such payment or delivery is due to be made (each such event, a "Settlement Disruption Event") and if such event is continuing on a date on which a payment or delivery is due to be made, such payment or delivery shall be postponed to the first Business Day following the day on which the Settlement Disruption Event ceases to continue.

Any such postponement of payment or delivery due to a Settlement Disruption Event shall not constitute a default by the Issuer and the Securityholders shall not be entitled to any default interest or other additional payment due to such postponement of payment or delivery.

In case the Settlement Disruption Event related to delivery of one or more Underlying Assets is continuing on the [fourteenth (14th)][●] (or such other number as may be specified in Final Terms) Business Day following the originally designated settlement date, the Issuer shall require the relevant Securityholder to accept, in lieu of delivery of the Underlying Asset in respect of each Security, payment of the settlement value in cash on the [third (3rd)] [●] (or such other number as may be specified in Final Terms) Business Day following the [fourteenth (14th)][●] (or such other number as may be specified in Final Terms) Business Day following the originally designated Physical Settlement Date. The settlement value shall be an amount as determined by the Issuer and/or Calculation Agent in its reasonable discretion.

Where a Settlement Disruption Event affects some but not all of the relevant Underlying Assets that are due to be delivered or payments that are due to be made, the payments or delivery of the Underlying Assets not affected by the Settlement Disruption Event will be Unadjusted and the due date with respect to such Underlying Assets or payments shall be the originally designated due date.

In case of the Notwithstanding the above, following the occurrence of a Settlement Disruption Event, the Issuer may elect in its sole and absolute discretion but in accordance with established market

practice to satisfy and discharge its obligations in respect of the relevant Securities in such way as it is reasonably practicable in lieu of a settlement as described above.

Payments made by the Issuer will be made subject to any applicable fiscal or other laws and regulations. The Issuer and/or Paying Agent shall use its reasonable endeavours to give notice to Investors according to Condition 19 “Notices” of the General Terms & Conditions that a Settlement Disruption Event has occurred.

(c) Hedging Disruption Event

For the purpose of these General Terms & Conditions and unless otherwise specified in the Final Terms, “Hedging Disruption” means that the Issuer and/or Calculation Agent is unable, after using commercially reasonable efforts, to

- (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer in issuing and performing its obligations with respect to the Securities, or
- (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or option contracts or any other relevant hedge positions relating to the Securities.

(d) FX Disruption Event

If the Calculation Agent determines that one or more FX Disruption Events occur at any time and if such event or events is/are continuing on a date on which a valuation, payment or delivery is due to be made, the Issuer may, in its reasonable discretion,

- (i) deduct from the relevant payment or delivery to be made under the Securities an amount calculated by the Calculation Agent as representing a cost, expense, charge and/or deduction arising in connection with such FX Disruption Event(s) or make any other adjustment with respect thereto, and/or
- (ii) adjust any determination, redemption, termination or other date under the Securities until the first (1st) Business Day on which such FX Disruption Event ceases to exist (the “FX Establishment Date”) and the payment in respect of the Securities shall be postponed to the Business Day which falls the same number of Business Days after the FX Establishment Date as the Final Fixing Date was originally scheduled to be after the Final Fixing Date (the “Postponed Final Fixing Date”), and/or
- (iii) specify and adopt (A) an appropriate alternate fall-back or alternative price or rate source or method of determination selected by the Calculation Agent (which may or may not be by reference to dealer poll or such other publication page or service as may replace the relevant page or service for the purpose of displaying a currency exchange rate comparable or equivalent to the relevant FX Rate) or (B) a replacement of any one or more relevant currencies, as the case may be, and/or
- (iv) treat the relevant FX Disruption Event(s) as if an Extraordinary Termination Event had

occurred in respect of the Securities for the purposes of exercising any applicable rights under the relevant Final Terms.

If an FX Disruption Event coincides with a Market Disruption Event or a Settlement Disruption Event, as the case may be, the provisions of the FX Disruption Event shall take effect only after such postponements or adjustments have been made as a result of such Market Disruption Event or Settlement Disruption Event.

For the purposes of a FX Disruption Event:

“FX Disruption Event” means for any Securities the occurrence (in the reasonable determination of the Calculation Agent) of an event that makes it impossible through legal channels for the Issuer or its affiliates to either (A) convert the Relevant Currency into the Settlement Currency, or (B) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction, or (C) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction;

“FX Rate” means, unless otherwise specified in the Final Terms, the exchange rate of one currency for another currency (determined by the Calculation Agent in good faith and in a commercially reasonable manner) expressed as a number of units of one currency (e.g. Relevant Currency) per one unit of another currency (e.g. Settlement Currency).

(e) *Price Source Disruption Event*

If a (foreign-exchange or other) rate, quote, price or other information that is required to make a determination with respect of the Securities is not observable from the relevant source or sources due to the fact that such source(s) is/are unavailable by reason of an unscheduled bank closure, IT system disruption or the occurrence of any other disruption event, as reasonably determined by the Calculation Agent (each such event, a “Price Source Disruption Event”), the Issuer and/or Calculation Agent may, subject to any further or other provisions set out in the applicable Final Terms, use such other source(s) that are under the then prevailing circumstances available and/or postpone the determination in question until such time as the relevant information becomes available again (but not for more than 20 (twenty) Business Days following the occurrence of such Price Source Disruption Event).

In case of a postponement of the relevant determination as described above, any payment date (and the respective payments under the Securities) may be postponed up to the date falling 3 (three) Business Days (or such other number of Business Days as specified in the applicable Final Terms) after the date on which the relevant information becomes available again. If on the twentieth Business Day following the occurrence of the Price Source Disruption Event the relevant information is not available (because neither the original nor an alternative source exists or is accessible), the Issuer and/or Calculation Agent shall determine the relevant information in its reasonable discretion. If a Price Source Disruption Event leads to a postponement of a scheduled payment or redemption date, no default interest or other additional payment shall become payable by the Issuer and such postponement shall not constitute an Event of Default in respect of the Issuer.

If the methodology, content, composition, constitution or administrator of a rate, quote, price or other information that is required to make a determination in respect of the Securities changes, the

Securities shall be deemed to reference such rate, quote, price or other information as the Issuer and/or Calculation Agent reasonably determine as successor of or alternative for such rate, quote, price or other information and which is commonly used by market participants as successor or alternative rate, quote, price or other information. Any actions according to Condition 21(d) "FX Disruption Event" of these General Terms & Conditions remain reserved.

If a rate, spread or similar reference factor which corresponds to a particular term and which is required for a determination in respect of the Securities ceases to be available or published and there is no successor for such reference factor, but reference factors for different terms continue to be available and published, the reference factor in question shall be calculated by linear interpolation of available reference factors which correspond to the next longer and shorter term.

(f) Additional Disruption Events

The following events on or after the Initial Fixing Date (or initial Trade Date) of the Securities constitute additional Disruption Events:

- (i) In the opinion of the Issuer and/or Calculation Agent at its reasonable discretion, a material change in the market conditions occurred in relation to the Reference Exchange or the Relevant Reference Market or, as the case may be, in relation to the relevant reference agent, as specified in the Final Terms;
- (ii) The occurrence of any other additional Disruption Events as specified in the Final Terms;
- (iii) "**Change in Law**", which means that (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing or financial authority) or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that (1) it has become illegal for it or any of its affiliates to hold, acquire or dispose of any relevant hedge position relating to an Underlying Asset and/or (2) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax) in maintaining the Securities in issue or in holding, acquiring or disposing of such hedge position;
- (iv) "**Increased Cost of Collateralization**", which means that the borrowing entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain of any transaction(s) or asset(s) the borrowing entity deems necessary to borrow in order to collateralize the Products (including COSI Securities) provided such collateralization is applicable;
- (v) "**Currency Event**", which means that it has become impracticable, illegal or impossible for the Issuer and/or any of its affiliates (A) to convert the relevant currency ("Local Currency") in which the Underlying or any options or futures contracts or other hedging arrangement in relation to the Underlying (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Underlying or any options or futures contracts in relation to the Underlying are traded due

to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority (as defined below) or otherwise, or (B) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

- (vi) **“Default of Counterparty”**, which means the occurrence of any event of default (howsoever described) in respect of the counterparty of the Issuer (or its relevant affiliate) under an Underlying Contract, pursuant to the applicable contractual terms, such as the counterparty's failing to make any payment when due under or to make or take delivery of any property when due under, or to observe or perform any other provision of, the Underlying Contract, in each case after the expiration of any applicable grace period;
- (vii) **“Dual Exchange Rate”**, which means that the exchange rate in respect of any of the Base Currency and/or the Reference Currency, split(s) into dual or multiple currency exchange rates;
- (viii) **“Force Majeure Event”**, which means that the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to (A) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (B) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control, or (C) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer (or any of its relevant affiliates) of all or substantially all of its assets in the Local Currency jurisdiction;
- (ix) **“Illegality”**, which means due to the adoption of or change in any applicable law or due to the promulgation of, or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, in each case, after the issuance of the Securities, it becomes unlawful for the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer to perform obligations in respect of the Securities, to hold any Underlying or Reference Obligation or receive payment in respect thereof or to comply with any other material provision of any agreement entered into in connection with the Securities,
- (x) **“Illiquidity Disruption”**, which means the occurrence of any event in respect of any of the Base Currency, and/or any Reference Currency whereby it becomes impossible for the Calculation Agent to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent to hedge its obligations under the Securities (in one or more transaction(s));
- (xi) **“Increased Cost of Hedging”**, which means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the initial Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or option contracts it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or option contract(s) or any other relevant hedge position(s) relating to an Underlying, provided

that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging;

- (xii) **“Insolvency Filing”**, which means that a Share Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company shall not be deemed an Insolvency Filing;
- (xiii) **“Jurisdiction Event”**, which means that it has become impracticable, illegal or impossible for the Issuer or any of its affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Underlying or any options or futures contracts in relation to the Underlying in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase or sale of or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer (or any of its affiliates) in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;
- (xiv) **“Tax Event”**, which means any (i) present or future taxes, duties or governmental charges that is imposed by any jurisdiction in which the Issuer is or becomes subject to tax as a result of any Change in Law or regulations of the relevant jurisdiction and the Issuer cannot avoid such obligation by taking reasonable measures available to it, or (ii) a substantial likelihood that the Issuer will become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by the FATCA, QI or Section 871(m) Provisions or any other tax provisions, provided that such inability to comply with the reporting requirements is attributable to non-compliance by any Securityholder (or a foreign withholding agent (if any) in the chain of custody of payments made to the Securityholders) with the Issuer's requests for certifications or identifying information;
- (xv) **“Reduced number of outstanding Securities”**, which means that the current Outstanding Principal Amount of the Securities corresponds to less than one(1) percentage of the Issue Size during the last three (3) months;
- (xvi) **“Analogous Event”**, which means any other event that, in the opinion of the Calculation Agent, is analogous to any other additional Disruption Events.

22. Security Events

In addition to the Disruption Events in accordance with Condition 21 “Disruption Events” of the General Terms & Conditions, the occurrence of any of, but not limited to, the events listed under General Adjusted

Events or Specific Adjustment Events below, in each case, in respect of the Underlying Asset (specified, as the case may be, under the Final Terms) shall constitute a potential adjustment event (“Potential Adjustment Event”).

In determining the occurrence of a Security Event and taking a particular action as a result of a Security Event, the Issuer and the Calculation Agent is under no duty to consider the interests of Securityholders or any other person. In making any determination as to which action to take following the occurrence of a Security Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Securities holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

(a) General Adjustment Events

- (i) An event which materially affects or may materially affect the theoretical economic value of the specified Underlying Asset according to the Final Terms or which has or may have an economic, dilutive or concentrative effect on the theoretical economic value of such Underlying Asset.
- (ii) An event that materially disrupts the economic link between the value of the specified Underlying Asset according to the Final Terms and the Securities subsisting immediately prior to the occurrence of such event; and/or
- (iii) An Underlying Asset according to the Final Terms, or the corresponding Underlying constituent(s) or reference basis(es) for any Underlying Asset, is materially modified.

(b) Specific Adjustment Events

Set out below are Potential Adjustment Events which may apply to Securities depending on the Underlying Asset applicable in the Final Terms.

If in the applicable Final Terms, under the definition of “Underlying”, a “Basket” or “Reference Portfolio” is specified to be applicable, the following conditions apply to each relevant Basket Component and shall always be read together with the applicable Final Terms of the relevant Securities.

If in relation to a Basket Component an adjustment is necessary, the Issuer shall (in addition to the adjustments pursuant to these General Terms & Conditions in relation to each Basket Component) be entitled, but not obliged, either:

- (i) to remove, at its reasonable discretion, the respective Basket Component without replacement from the Basket (if applicable by adjusting the weighting of the remaining Basket Components); or
- (b) to replace, at its reasonable discretion, the Basket Component in whole or in part by a new Basket Component (if applicable by adjusting the weighting of the Basket Components then present) (the “Successor Basket Component”).

In such case, the Successor Basket Component will be deemed to be part of the Basket.

- (i) Only if in the Final Terms, under the definition of “Underlying Asset” a “Share” is specified to be applicable, in addition to General Adjustment Events, the following events shall each be a Potential Adjustment Event:
- (A) a subdivision, consolidation or reclassification of the relevant Shares (unless it has resulted in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
 - (B) a distribution, issue or dividend to existing holders of the relevant Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Issuer and/or Calculation Agent and/or (5) a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares;
 - (C) an extraordinary dividend;
 - (D) a call by the Share Company in respect of relevant Shares that are not fully paid;
 - (E) a repurchase by or on behalf of the Share Company or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (F) in respect of a Share Company, an event that results in any shareholder rights being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent;
 - (G) any redemption of shareholder rights referred to under item (F) above; and
 - (H) any other event that may have a diluting or concentrative or other effect on the theoretical value of the relevant Shares.

In addition, the following events shall each be a Disruption Event:

- (I) “**De-Listing**” which means, for any Share for which the Reference Exchange is an exchange or a trading system or a quotation system, the Reference Exchange announces that pursuant to the rules of such Reference Exchange, such Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer and/or Calculation Agent;

- (J) “**Insolvency**” which means by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Company (A) all the Shares of that Share Company are required to be transferred to a trustee, liquidator or other similar official; or (B) holders of the shares of that Share Company become legally prohibited from transferring them;
- (K) “**Merger Event**” which means, in respect of any relevant Shares, any (1) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; (2) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding); (3) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain one-hundred (100) per cent. of the outstanding Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or (4) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled such other entity) immediately prior to such event collectively representing less than fifty (50) per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the last possible date on which the Calculation Agent could be required by the Terms & Conditions to determine the price or value of the relevant Share;
- (L) “**Nationalisation**” which means all the relevant Shares or all or substantially all of the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and
- (M) “**Tender Offer**” which means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten (10) per cent. and less than one-hundred (100) per cent. of the outstanding voting shares of the Share Company, as determined by the Issuer and/or Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

For purposes of this paragraph (i), the following terms shall have the following meanings:

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer and/or Calculation Agent in their sole and absolute discretion.

“**Share Company**” means with respect to a Share, the Issuer specified for such Share.

(ii) Only if in the Final Terms, under the definition of “Underlying Asset” an “**Index**” is specified to be applicable, in addition to General Adjustment Events, the following events shall each be a Potential Adjustment Event:

- (A) Any Index that is not calculated or announced by the Index Sponsor specified under the heading “Underlying Asset” in the Final Terms but is calculated by a successor sponsor (the “Successor Sponsor”) acceptable to the Issuer and/or Calculation Agent.
- (B) Any such Index is replaced by a successor index using, in the determination of the Issuer and/or Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index (the “Successor Index”).

The consequences of such Potential Adjustment Event may be, in each case that the relevant Index will be the index so calculated and announced by such Successor Sponsor or the successor index, as the case may be.

In addition, the following events shall each be a Disruption Event:

On or prior to any date with respect to which the Issuer and/or Calculation Agent is required to determine the level of an Index, the relevant Index Sponsor or, if applicable, the Successor Sponsor

- (A) makes or announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index; or
- (B) permanently cancels that Index and no Successor Index exists; or
- (C) fails to calculate and announce that Index and, in each case, the item (A) and (B) above do not apply.

(iii) Only if in the Final Terms in the definition of “Underlying Asset” a “**Commodity**” is specified to be applicable, and which may be determined by reference to a futures contract (a “**Futures Contract**”), in addition to General Adjustment Events, the following shall each be a Potential Adjustment Event:

- (A) a relevant Commodity or relevant Futures Contract is traded on the Reference Source since the Issue Date in a different quality or another content, constitution or composition (for example in a different degree of purity or with a different point of origin);
- (B) any other event or measure as a result of which the Commodity or relevant Futures Contract, as traded on the Reference Source, is changed or altered; and
- (C) a material suspension of, or a material limitation imposed on, trading in the Futures Contract or Commodity on the Reference Source or in any other relevant futures contract, options contract or commodity on any exchange, trading system or quotation system, where such event is determined by the Calculation Agent not to be a Market Disruption.

In addition, the following shall each be a Potential Adjustment/Termination Event:

- (D) the permanent discontinuation of trading, in a relevant Futures Contract or Commodity on the relevant Reference Source, the disappearance of, or of trading in, the Commodity or the disappearance or permanent discontinuance or unavailability of any relevant price or value for a Commodity or Futures Contract (notwithstanding any availability of the related Reference Source or the status of trading in the relevant Futures Contract or the Commodity);
 - (E) the occurrence since the Issue Date of a material change in the formula for or method of calculating any relevant price or value for a Commodity or Futures Contract;
 - (F) the failure of the Reference Source to announce or publish any relevant price or value for a Commodity or Futures Contract (or the information necessary for determining any such price or value) or the temporary or permanent discontinuance or unavailability of the Reference Source, where such event is determined by the Issuer and/or Calculation Agent not to be a Market Disruption; and
 - (G) where the Reference Source for a relevant Commodity is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, any material options or futures contract on or relating to such Commodity ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason.
- (iv) Only if in the Final Terms in the definition of “Underlying Asset” a “**Currency Exchange Rate**” is specified to be applicable, in addition to General Adjustment Events, the following shall each be a Potential Adjustment Event:
- (A) a Relevant Currency is, in its function as legal tender, in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such Relevant Currency, replaced by another currency, or merged with another currency to become a common currency;
 - (B) a Relevant Currency in its function as legal tender ceases, for any reason, to be legal tender in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such Relevant Currency; and
 - (C) where the Price Source for any Exchange Rate is an exchange or a trading system or a quotation system, the Price Source announces that pursuant to the rules of such Price Source, the Exchange Rate between the relevant First Currency and Second Currency ceases (or will cease) to be listed, traded or publicly quoted on the Price Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer and/or Calculation Agent;
 - (D) the authorisation of the Issuer, or of the Calculation Agent, to use the interest rate or reference rate, as the case may be, used as the Underlying is terminated or otherwise ceases to exist; or

- (E) the interest rate or the reference rate (or the publication thereof), as the case may be, has been permanently discontinued and/or replaced by a successor interest rate or reference rate (by any parties other than the Issuer).

For purposes of this paragraph (iv), the following terms shall have the following meanings:

“Relevant Currency” means two or more corresponding currencies of the relevant Exchange Rate.

“First Currency” means the currency appearing first in the definition of the relevant Exchange Rate or, in the case of an Exchange Rate referring to more than two currencies, the currency referred to first in each constituent rate of such Exchange Rate.

“Second Currency” means the currency appearing second in the definition of the relevant Exchange Rate or, in the case of an Exchange Rate referring to more than two currencies, the currency referred to second in each constituent Exchange Rate.

- (v) Only if in the Final Terms, under the definition of “Underlying Asset” a **“Futures Contract”** or an **“Option Listed Contract”** (together a **“Listed Contract”**) is specified to be applicable, in addition to General Adjustment Events, the following events shall each be a Potential Adjustment Event:
 - (A) the terms of the relevant Listed Contract, or its components or reference asset or basis, are materially modified;
 - (B) any other event or measure as a result of which the Listed Contract, as traded on the Reference Exchange, is changed or altered; and
 - (C) a material suspension of, or a material limitation imposed on, trading in the Listed Contract on the Reference Exchange or in any other relevant listed contracts on any exchange, trading system or quotation system, where such event is determined by the Calculation Agent not to be a Market Disruption Event.

In addition, the following events shall each be a Disruption Event:

- (D) the permanent discontinuation of trading, in a relevant Listed Contract on the relevant Reference Exchange, the non-commencement, disappearance or permanent discontinuance or unavailability of any relevant price or value for a Listed Contract (notwithstanding any availability of the related Reference Exchange or the status of trading in the relevant Listed Contract);
- (E) a material change in the formula for or method of calculating any relevant price or value for a Listed Contract;
- (F) the failure of the Reference Exchange to announce or publish any relevant price or value for a Listed Contract (or the information necessary for determining any such price or value) or the temporary or permanent discontinuance or unavailability of the Reference Exchange, where such event is determined by the Issuer and/or Calculation Agent not to be a Market Disruption;

- (G) where the Price Source for a Listed Contract is an exchange or a trading system or a quotation system, the Price Source announces that pursuant to the rules of such Price Source, such Listed Contract ceases (or will cease) to be listed, traded or publicly quoted on the Price Source for any reason; and
 - (H) the Listed Contract has been terminated, cancelled or otherwise ceased to be outstanding for any reason.
- (vi) Only if in the Final Terms, under the definition of “Underlying Asset” a “**Fund Share**” is specified to be applicable in addition to General Adjustment Events, the following events shall each be a Potential Adjustment Event:
- (A) a subdivision, consolidation or reclassification of relevant Fund Shares (unless an Disruption Event) or a free distribution or dividend of any such Fund Shares to existing Fund Share holders by way of bonus, capitalization or similar issue;
 - (B) a distribution or dividend to existing holders of relevant Fund Shares of (1) such Fund Shares, or (2) other share capital or securities granting the right to payment of dividends, redemption amounts or other amounts and/or delivery of assets and/or the proceeds of liquidation of the Fund equally or proportionately with such payments or deliveries to holders of such Fund Shares, or (3) share capital or other securities of another issuer acquired by the Fund as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer and/or Calculation Agent;
 - (C) an extraordinary dividend;
 - (D) a call by the Fund in respect of relevant Fund Shares that are not fully paid;
 - (E) the Fund repurchases, redeems or is required by any applicable regulatory authority to repurchase or redeem relevant Fund Shares (other than in accordance with normal redemption or realisation procedures for such Fund Shares) whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (F) with respect to a Fund an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Fund (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
 - (G) the occurrence of a tender offer (a “Tender Offer”) by any entity or person to purchase more than ten (10) per cent. but less than fifty (50) per cent. of the outstanding voting shares of any class of shares of the Fund, as determined by the Issuer and/or Calculation Agent based upon the making of filings with governmental agencies and/or the nature and term of the Tender Offer;

- (H) any material change in the formula for or the method of calculating the net asset value or other price or value of the relevant Fund Share, or in the composition or weighting of the prices or assets on the basis of which such net asset value or other price or value is calculated; or
- (I) any other event that may have, in the opinion of the Calculation Agent, a dilutive or concentrative or other effect on the theoretical value of the Fund Shares.

In addition, the following events shall each be a Disruption Event:

- (J) for any Fund Share for which the Reference Exchange is an exchange, a trading system or a quotation system, the Reference Exchange announces that pursuant to the rules of such Reference Exchange, the Fund Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer and/or Calculation Agent;
- (K) in relation to a Fund Share, (I) the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, winding-up or other cessation of trading of or any analogous proceeding in relation to (1) the relevant Fund or (2) the relevant Master Fund or (3) unless replaced with a successor acceptable to the Issuer and/or Calculation Agent, the relevant Administrator or the relevant Manager or (II) all such Fund Shares are required to be transferred to a trustee, liquidator or other similar official;
- (L) in respect of a Fund, its Manager or its Master Fund:
 - (1) an irrevocable commitment to transfer all of the relevant Fund Shares or shares or units in such Master Fund outstanding; or
 - (2) a consolidation, amalgamation or merger of such Fund, such Manager or such Master Fund with or into another fund or fund manager other than a consolidation, amalgamation or merger in which such Fund or its Master Fund or its Manager is the continuing Fund, Master Fund or Manager, as the case may be; or
 - (3) a takeover offer for such Fund, Master Fund or Manager that results in a transfer of or an irrevocable commitment to transfer all of the relevant Fund Shares or shares or units in such Master Fund or all the shares of such Manager (other than Fund Shares or shares owned or controlled by the offeror);
- (M) the Administrator or the Manager or the administrator or the manager of the Master Fund ceases to act in its capacity as administrator or manager of the Fund or the Master Fund, as the case may be, and is not immediately replaced in such capacity by a successor acceptable to the Issuer and/or Calculation Agent;
- (N) a material modification of the investment objectives, investment policies, investment strategy, investment process or investment guidelines (however described) (“investment guidelines”) of the Fund or the Master Fund;

- (O) a material modification or breach of the conditions in place for the relevant Fund and/or the relevant Master Fund (including but not limited to a modification or breach of the Fund Document or the memorandum and articles of association or other constitutional documents of the Fund or any Prospectus, information memorandum or similar document (including any document supplementing, amending or restating the same) or memorandum and articles of association or other constitutional documents of the Master Fund);
- (P) interruption, breakdown or suspension of the calculation or publication of the net asset value or other value or price of the Master Fund;
- (Q) a material modification of the type of assets in which the Fund and/or the Master Fund invests or the trading practices of the Fund or the Master Fund (including but not limited to a material deviation from the investment guidelines set out in any Fund Document) which, in the determination of the Issuer and/or Calculation Agent, has or is likely to have a material effect on the Hedging Arrangements of the Issuer in respect of the Securities;
- (R) the non-execution or partial execution or delayed execution by or on behalf of the Fund for any reason of a subscription or redemption order in respect of any Fund Shares given by the Issuer;
- (S) the Fund otherwise suspends redemptions of any Fund Shares;
- (T) the Fund or any party acting on its behalf imposes any restriction, charge or fee in respect of a redemption or issue of Fund Shares (other than any restriction, charge or fee in existence as at the Issue Date of the Securities);
- (U) the Fund, the Master Fund, the manager of the Master Fund or the Manager has any relevant licence, authorization or registration cancelled or revoked by any applicable regulatory authority and/or the Issuer and/or any Hedging Party is required by an applicable regulatory authority to dispose of any Fund Shares held in connection with any Hedging Arrangements relating to the Securities;
- (V) there is a change in the taxation treatment in any relevant jurisdiction in respect of any payments and/or deliveries made by a Fund or any reinvested amounts held by a Fund in respect of any Fund Shares as a result of which the amounts and/or assets realised by the Issuer in connection with Hedging Arrangements relating to the Securities are materially reduced or otherwise adversely affected; or
- (W) any other event occurs in relation to the relevant Fund or the relevant Fund Shares, which, in the determination of the Calculation Agent, has a material adverse effect on the value of such Fund Shares and/or the Hedging Arrangements of the Issuer in connection with the Securities and which is not an Adjustment Event.

For purposes of this paragraph (vi), the following terms shall have the following meanings:

“**Administrator**” means, in relation to a Fund, any entity described as such in relation to the Fund in any Fund Document or which provides administrative, book-keeping or similar services (however described) to the Fund, all as determined by the Issuer and/or

Calculation Agent;

“**Exchange Traded Fund**” means the exchange traded fund(s) specified as such in the applicable Final Terms;

“**Fund**” means, with respect to a Fund Share, the Exchange Traded Fund, Hedge Fund, Mutual Fund, the issuer or obligor specified for such Fund Share in the definition of “Underlying Asset”, in the Final Terms;

“**Fund Document**” means, in relation to a Fund and a Fund Share, any prospectus, information memorandum or similar document relating to the Fund and/or the Fund Share (including any document supplementing, amending or restating the same), all as determined by the Issuer and/or Calculation Agent;

“**Fund Service Provider**” means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms;

“**Fund Share**” means each fund share, interest or unit specified in the definition of “Underlying Asset” in the Final Terms;

“**Hedge Fund**” means the hedge fund(s) specified as such in the applicable Final Terms;

“**Manager**” means, in relation to a Fund, any entity described as such in relation to the Fund in any relevant Fund Document or which provides investment, managerial, broking or arrangement or similar services (however described) to the Fund, all as determined by the Issuer and/or Calculation Agent; and

“**Master Fund**” means, in relation to a Fund, any entity described as such in relation to the Fund in any relevant Fund Document or which acts as a master fund or umbrella fund or similar entity (however described) in relation to the Fund, all as determined by the Issuer and/or Calculation Agent.

“**Mutual Fund**” means the mutual fund(s) specified as such in the applicable Final Terms;

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 (fifty) per cent and less than 100 (one hundred) per cent of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

- (vii) Only if in the Final Terms, under the definition of “Underlying Asset”, a “**Non-equity Security**” (including a Bond or a Structured Product) is specified to be applicable in addition to General

Adjustment Events, the following shall each be a Potential Adjustment Event:

- (A) a material change in the market conditions occurred in relation to the Reference Exchange relevant for the calculation and determination of the price of the Non-equity security used as the Underlying, or on any exchange on which options contracts or futures contracts with respect to the Non-equity security are traded, as determined by the Issuer and/or Calculation Agent at its reasonable discretion;
- (B) any changes in the calculation (including corrections) of the Non-equity security or of the composition or of the weighting of the prices or other reference assets, which form the basis of the calculation of the Non-equity security if the Issuer and/or the Calculation Agent, upon exercise of its reasonable discretion, determines that the underlying concept and the calculation (including corrections) of the Underlying are no longer comparable to the underlying concept or calculation of the Underlying applicable prior to such change; and
- (C) the termination of the Underlying and/or its substitution by another Underlying.

In addition, the following shall each be an Disruption Event:

- (D) the Non-equity security ceases to exist and/or is replaced by a successor Non-equity security (by any parties other than the Issuer); and
 - (E) if the quotation of or trading in the Non-equity security is permanently discontinued.
- (viii) Only if in the Final Terms, under the definition of “Underlying Asset” a “**Dynamic or Actively Managed Basket**” is specified to be applicable, in addition to General Adjustment Events, the following events shall each be a Potential Adjustment Event:
- (A) if applicable, the strategy advisor agreement (the “**Strategy Advisor Agreement**”) between the Issuer and Strategy Advisor is not executed or confirmed by the Issuer until the first Basket rebalancing date;
 - (B) the Strategy Advisor Agreement is terminated by the Issuer in its reasonable discretion on the following grounds:
 - (1) a material breach by the Strategy Advisor of a material obligation under the Strategy Advisor Agreement if such breach is not remedied on or before the fifth (5th) Business Day (unless otherwise specified in the Final Terms) after notice of such breach is given to the Strategy Advisor;
 - (2) persistent, continual or repeated breach of the Strategy Advisor Agreement by the Strategy Advisor in respect of either one or a number of different provisions of the Investment Management Agreement;
 - (3) subject to the requirements of applicable law, if the Strategy Advisor (aa) institutes any proceedings to adjudicate itself bankrupt or insolvent or there are any such proceedings instituted against it, (bb) files a petition seeking or consenting to reorganisation or relief under any applicable law relating to bankruptcy or insolvency with respect to itself, (cc) consents to the appointment

of a receiver, liquidator, assignee, trustee, sequestrator (or similar official) for itself or for a substantial part of its property, (dd) makes any general assignment for the benefit of its creditors, (ee) admits in writing its inability to pay its debts generally as they become due, or (ff) takes any action in furtherance of any of the foregoing;

- (4) it is, or becomes, unlawful for the Strategy Advisor to perform its role according to the Final Terms any investment vehicle to be comprised in the Underlying Basket;
 - (5) the Strategy Advisor violates applicable laws and regulations when providing its services under the Investment Management Agreement;
 - (6) it is inadmissible for the Issuer from a regulatory perspective to maintain the contractual relationship with the Strategy Advisor; and
- (C) any other event or measure as a result of which the rebalancing of the Basket, becomes impossible.

23. Consequences of Events

If the Issuer and/or the Calculation Agent determines, in its reasonable discretion, that a Disruption Event or a Security Event (i.e., Potential Adjustment Event) in the Security has occurred and is continuing with respect to one or more Underlying Asset (e.g. in the case of Baskets) or one or more components of an Underlying Asset for a period of time which is, in the reasonable discretion of the Issuer and/or the Calculation Agent, material, then the Issuer and/or the Calculation Agent in its sole and absolute discretion, may take any of the following actions:

- (i) make such adjustments to the Terms & Conditions and/or the Final Terms as it, in its reasonable discretion, determines necessary or appropriate in order to account for the effect of the Disruption Event or the Security Event, and/or to preserve as nearly as practicable the economic equivalence of the Securities before and after the occurrence of the Disruption Event or the Security Event and the economic link between the Underlying Asset (if any) and the Securities and/or to enable it to maintain its hedging arrangements (as applicable), and determine when these adjustments become effective.

Such adjustments may take into account and pass on to Securityholders any increased direct or indirect cost to the Issuer as a result of or in connection with the relevant Disruption Event or the Security Event including, without limitation, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in tax consequences) for the Issuer. Such change in tax consequences may include, but is not limited to, any changes resulting from any hedging arrangements of the Issuer in relation to the Securities.

The Issuer and/or Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Disruption Event or the Security Event made by a Reference Exchange to options or futures contracts traded on that Reference Exchange. Any such adjustment may take into account, as the Issuer and/or Calculation Agent deems appropriate, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in tax consequences) for the Issuer as a result of the Disruption Event or the Security Event.

- (ii) Unless the terms of the Final Terms explicitly provide for other disruption fallback provisions to apply, postpone the Valuation Date, Determination Date and/or the Observation Date for the relevant Underlying or its component to the first following exchange Trading Day on which there is no Disruption Event or no Security Event (provided that, where the Underlying is a Basket, the Valuation Date, Determination Date and/or the Observation Date for each Basket component which is not affected by the Disruption Event or the Security Event shall be the originally designated Valuation Date, Determination Date and/or the Observation Date), and the Settlement Date and any other relevant date, as applicable, shall be correspondingly postponed.
- (iii) Substitute, if the Issuer, in its sole and absolute discretion, determines that the action in respect of the Disruption Event or the Security Event is to be “substitution”. The Calculation Agent shall in respect of the Underlying:
 - (A) determine the weighted average price at which a hypothetical investor can redeem the Underlying in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable following the Disruption Event or the Security Event;
 - (B) for a period of no longer than 14 (fourteen) calendar days following the date on which a hypothetical investor would have received proceeds from a redemption order in full submitted by the hedge provider as soon as practicable following the occurrence of the Disruption Event or the Security Event, use reasonable efforts to substitute the Underlying with shares, units or other similar interests in an alternative instrument which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Underlying, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
 - (C) if no alternative instrument can be determined pursuant to the preceding sub-paragraph (B) above, use reasonable efforts to substitute the Underlying with an Index (or an instrument tracking such Index) selected by the Calculation Agent in its sole and absolute discretion;
 - (D) following any substitution in accordance with sub-paragraph (B) or (C) above, the Issuer may, in its sole and absolute discretion, require that the Calculation Agent make such determinations and/or adjustments to the Terms & Conditions and/or the Final Terms as it determines to be appropriate to take account of such substitution;
 - (E) in case of Underlying Contract, unwind the Contract as soon as it is reasonably practicable following the Disruption Event or the Security Event and after receipt of the Underlying Contract's proceeds, as soon as practicable following the occurrence of the Disruption Event or the Security Event, use reasonable efforts to substitute the Underlying Contract with other similar interests in an alternative Instrument which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Underlying Contract, and the Issuer may, in its sole and absolute discretion, require that the Calculation Agent make such determinations and/or adjustments to the Terms & Conditions and/or the Final Terms as it determines to be appropriate to take account of such Substitution.

- (iv) Execute an extraordinary redemption ("Extraordinary Termination Event") for all but not some only of the Securities, each Security being redeemed by way of payment of an amount equal to the fair market value of the Security taking into account the Disruption Event or the Security Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion.

Require the Calculation Agent to calculate the fair market value of each Security, taking into account the Disruption Event or the Security Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (the "Calculated Disruption Amount") as soon as practicable following the occurrence of the Disruption Event or the Security Event (the "Calculated Disruption Amount Determination Date"), and on the Settlement Date redeem each Security at an amount calculated by the Calculation Agent equal to the Calculated Disruption Amount plus any accrued interest from and including the Calculated Disruption Amount Determination Date to but excluding the Settlement Date at a rate equal to the Issuer's funding cost at such time.

- (v) Instead of an extraordinary redemption of each Security by way of payment of an amount equal to the fair market value of the Security, the Issuer and the Calculation Agent may decide to deliver the corresponding Underlying Asset in its sole and absolute discretion.

The Issuer may, at its option, delegate the foregoing valuation functions to an appropriate independent third party.

Upon the occurrence of the Disruption Event or the Security Event, the Issuer and or the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 19 "Notices" of the General Terms & Conditions stating that the Disruption Event or the Security Event has occurred, the date on which such event occurs, or has occurred, and providing details thereof. Failure of the Issuer and/or Calculation Agent to notify the parties of the occurrence of the Disruption Event or the Security Event shall not affect the validity of the occurrence and effect of such Disruption Event or Security Event on the Securities.

All determinations made by the Issuer and/or the Calculation Agent shall be conclusive and binding on the Securityholder and the Issuer. The Securityholder will not be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of the Disruption Event or the Security Event.

In determining to take a particular action as a result of the Disruption Event or the Security Event, the Issuer is under no duty to consider the interests of Securityholders or any other person. In making any determination as to which action to take following the occurrence of the Disruption Event or the Security Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Securities holders or any other person in connection with the Securities as a result thereof, howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

If the Issuer proclaims an Extraordinary Termination Event, the effective redemption value may be considerably lower than the initially defined redemption values, and no Payout Amounts, Interest Amounts or Premium Amounts that would otherwise have been due after the date of such early redemption will be paid. In this case, the Securityholder bears the risk that his expectations with respect to a possible increase in the value of the Securities may no longer be satisfied due to the

Extraordinary Termination Event. Furthermore, the Securityholder has to consider that after the Extraordinary Termination Event, one bears the reinvestment risk. This means that the Securityholder may only be able to reinvest the amount to be paid by the Issuer (the Early Redemption Price) on less favorable market conditions compared with those existing when the Security was originally purchased.

24. Liability

In no event shall the Issuer, the Calculation Agent, and the Paying Agent have any liability for indirect, incidental, consequential or other damages (whether or not it may have been advised of the possibility of such damages) other than interest until the date of payment on sums not paid when due in respect of any Securities or assets not delivered when due. Securityholders are entitled to damages only and are not entitled to the remedy of specific performance in respect of the Securities.

ADDITIONAL GENERAL TERMS & CONDITIONS FOR CREDIT LINKED SECURITIES

If specified as applicable in the Final Terms, the Terms & Conditions applicable to Securities linked to the creditworthiness of one or more Reference Entities shall comprise the General Terms & Conditions under the Base Prospectus and the Additional General Terms & Conditions for Credit linked Securities (the “**Credit Linked Terms**”) set out below, in each case subject to completion and/or amendment in the Final Terms of the Securities.

In the event of any inconsistency between the General Terms & Conditions and the Credit Linked Terms, the Credit Linked Terms shall prevail. In the event of any inconsistency between the Credit Linked Terms and the Final Terms, the Final Terms shall prevail.

1. Definitions

“**Accreted Amount**” means, with respect to an Accreting Obligation, an amount equal to

- (i) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less
- (ii) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in item (i)(2) above of this definition),

in each case calculated as of the earlier of

- (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and
- (B) the Physical Settlement Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments only if “Include Accrued Interest” is specified as applicable in the Final Terms.

If an Accreting Obligation is expressed to accrete pursuant to a straightline method or if such Obligation’s yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of item (i)(2) above of this definition, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semiannual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of

- (C) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal; and
- (D) the Physical Settlement Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount

that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“Accreting Obligation” means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other interest or principal accruals not payable on a periodic issue) that will or may accrete, whether or not (1) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (2) periodic cash interest is also payable.

“Asset Amount” means, in respect of each Denomination of Securities equal to the Calculation Amount, Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (i) in the case of Deliverable Obligations that are Borrowed Money obligations, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if “Include Accrued Interest” is specified as applying in the Final Terms, but excluding accrued but unpaid interest if “Exclude Accrued Interest” is specified as applying in the Final Terms, and if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified as applying in the Final Terms excluding accrued but unpaid interest); or
- (ii) in the case of Deliverable Obligations that are not Borrowed Money obligations, a Due and Payable Amount,

(or, in each case, the equivalent Currency Amount of any such amount) in each case in an aggregate amount as of the relevant Delivery Date equal to the Calculation Amount.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

“Asset Transfer Notice” means a duly completed asset transfer notice substantially in the form set out in the Notes Agency Agreement or Warrants and Certificates Agency Agreement (as applicable).

“Auction” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“Auction Cancellation Date” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“Auction Cash Settlement Amount” means an amount calculated by the Calculation Agent equal to the Calculation Amount multiplied by the Auction Final Price; provided that in no event shall the Auction Cash Settlement Amount be less than zero.

In relation to a Security, where the specified Denomination of a Security in definitive form is a multiple of the Calculation Amount, the Auction Cash Settlement Amount payable in respect of such

Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the specified Denomination, without any further rounding.

“**Auction Covered Transaction**” has the meaning set out in the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“**Auction Final Price**” means the price, if any, specified to be the relevant Auction Final Price determined in accordance with the Transaction Auction Settlement Terms with respect to the relevant Reference Entity (expressed as a percentage) or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-Off Date, the price, if any, specified to be the Auction Final Price determined in accordance with the applicable Parallel Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage).

“**Auction Final Price Determination Date**” means the day, if any, on which the Auction Final Price is determined pursuant to the Transaction Auction Settlement Terms with respect to the relevant Reference Entity.

“**Auction Settled Securities**” means Securities in respect of which (A) the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable and (B) “Auction Settlement” is specified as the applicable Settlement Method in the Final Terms.

“**Auction Settlement Date**” means the date following the Auction Final Price Determination Date as specified in the relevant Final Terms.

“**Bankruptcy**” means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts, or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator,

conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (i) to (vii) above of this definition.

“Best Available Information” means:

- (i) in the case of a Reference Entity which files information (including unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred) with its primary securities regulators or primary stock exchange or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information or, if provided subsequently to unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition “Successor”, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulators, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in paragraph (i) above of this definition, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition “Successor”.

Information which is made available more than fourteen (14) calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

“Cash Settled Securities” means Securities in respect of which “Cash Settlement” is specified as the applicable Settlement Method in the Final Terms or where Cash Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

“Certificate Balance” means, in the case of an Insured Instrument that is in the form of a passthrough certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

“Conditionally Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if

any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing system or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of “Conditionally Transferable Obligation”. For the purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by, or on behalf of the Issuer.

“**Conditions to Settlement**” shall be deemed to be satisfied: (i) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, by the occurrence of a Credit Event Determination Date to the extent that such Credit Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, unless the Securities are Physically Settled Securities, in which case all of the Conditions to Settlement shall be deemed to be satisfied by the delivery by the Issuer of a Physical Settlement Notice that is effective on or following the occurrence of a Credit Event Determination Date; and (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is not applicable, by the delivery

- (i) by the Calculation Agent to the Issuer of a Credit Event Notice and, if Notice of Publicly Available Information is specified as applying in the Final Terms, a Notice of Publicly Available Information, in each case, that is effective during the Notice Delivery Period; and
- (ii) in the case of Physically Settled Securities only, by the Issuer to Securityholders of a Physical Settlement Notice that is effective no later than thirty (30) calendar days after the Credit Event Determination Date.

“**Convened DC**” has the meaning given to that term in the Rules.

“**Convertible Obligation**” means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the Cash Settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

“**Credit Derivatives Auction Settlement Terms**” means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules.

“**Credit Derivatives Definitions**” means the 2003 ISDA Credit Derivatives Definitions as supplemented by:

- (i) the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions; and
- (ii) the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and

Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (the “**July 2009 ISDA Credit Derivatives Supplement**”),

each as published by ISDA.

“**Credit Derivatives Determinations Committees**” or “**DC**” means the determination committees established by ISDA for the purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the “Rules”).

Acting in accordance with the rules, a DC will deliberate on issues raised by market participants, including whether or not a particular type of Credit Event has occurred, on a given date. If the DC decides that a Credit Event has occurred, the DC will further determine the list of eligible Deliverable Obligations and decide whether or not one or more auctions will be held to settle the event.

There are five regional Determinations Committees (The Americas, Asia Ex-Japan, Australia/New Zealand, EMEA and Japan). Each is comprised of 15 voting members (eight global dealers, two regional dealers and five buy-side members), three non-voting members (two dealers and one buy-side member) and a non-voting secretary from ISDA. Membership of the DCs is reviewed annually.

“**Credit Event**” means any one or more of the Credit Events specified in the Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event specified in the Final Terms, as determined by the Calculation Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from or is subject to defence based upon:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation, an Underlying Obligor to enter into any Underlying Obligation or an Insured Obligor to enter into any Insured Instrument, as applicable;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, Underlying Obligation or Insured Instrument, as applicable, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

“**Credit Event Backstop Date**” means

- (i) for purposes of any event that constitutes a Credit Event (or with respect to

Repudiation/Moratorium, the event described in item (i)(B) of the definition “Repudiation/Moratorium” has occurred with respect to the relevant Reference Entity or Obligation thereof), the date that is sixty (60) calendar days prior to the Credit Event Resolution Request Date; or

- (ii) otherwise, the date that is sixty (60) calendar days prior to the earlier of
 - (A) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified in the Final Terms as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period; and
 - (B) in circumstances where (1) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date” are satisfied in accordance with the Rules, (2) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (3) the Credit Event Notice and the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen (14) calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“Credit Event Determination Date” means, in respect of any Credit Event:

- (i) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is not applicable, the first date upon which the Credit Event Notice and, if Notice of Publicly Available Information is specified as applying in the Final Terms, the Notice of Publicly Available Information are effective; and
- (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the date determined in accordance with the following provisions:
 - (A) subject to sub-paragraph (ii)(B) below of this definition, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:
 - (1) the Notice Delivery Period; or
 - (2) the period from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date”, to, and including, the date that is

fourteen (14) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or

(B) notwithstanding sub-paragraph (ii)(A) above of this definition, if a DC Credit Event Announcement has occurred, either:

I. the Credit Event Resolution Request Date, if either:

(1) the relevant Credit Event is not a Restructuring; and

(2) either:

(y) if the Securities are Auction Settled Securities, the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any, as applicable; or

(z) if the Securities are not Auction Settled Securities, the Trade Date occurs on or prior to the relevant DC Credit Event Announcement;

or

(1) the relevant Credit Event is a Restructuring; and

(2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to the Exercise Cut-off Date; or

II. the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen (14) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if:

(1) the relevant Credit Event is not a Restructuring;

(2) the Securities are not Auction Settled Securities; and

(3) the Trade Date occurs following the relevant DC Credit Event Announcement,

provided that in respect of this sub-paragraph (ii)(B):

(X) subject to Condition 10 “Credit Event Notice after Restructuring Credit Event” of the Credit Linked Terms, no Physical Settlement Date, if applicable, or Maturity Date has occurred on or prior to the date on which the DC Credit Event Announcement occurs;

- (Y) if any Valuation Date or Delivery Date, as applicable, has occurred as of the date on which the DC Credit Event Announcement occurs, a Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the Outstanding Principal Amount of a Security, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and
- (Z) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (1) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (2) unless, and to the extent that, the Partial Redemption Amount specified in any such Credit Event Notice was less than the then Outstanding Principal Amount of each Security.

No Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

If, in accordance with the provisions above,

- (iii) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed
 - (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date; or
 - (B) not to have occurred or
 - (C) a Credit Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date,
- (iv) the Calculation Agent will determine in its sole discretion:
 - (1) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid under the Securities;
 - (2) the date on which such adjustment payment is payable, if any;
 - (3) the party that is obliged to make such adjustment payment, if any.

“Credit Event Notice” means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred in respect of a Reference Entity or, if “First-to-Default” is specified in the Final Terms, any Reference Entity in the Reference Portfolio, in either case at or after 12:01 a.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on

- (i) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Credit Event Backstop Date or
- (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is not applicable, the Trade Date and, in either case, at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Extension Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

“Credit Event Redemption Amount” means the amount per Calculation Amount specified as such in the Final Terms or if no such amount is specified in the Final Terms, an amount calculated by the Calculation Agent equal to:

$$A \times B$$

where:

“A” is the Calculation Amount; and

“B” is the Final Price,

provided that in no event shall the Credit Event Redemption Amount be less than zero. In relation to a Security, where the specified Denomination of a Security in definitive form is a multiple of the Calculation Amount, the Credit Event Redemption Amount payable in respect of such Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the specified Denomination, without any further rounding.

“Credit Event Redemption Date” means the day falling the number of Business Days specified in the Final Terms after the determination of the Final Price, or, if the number of Business Days is not so specified, ten (10) Business Days. For the avoidance of doubt, a Credit Event Redemption Date may fall on a day that is later than the Maturity Date.

“Credit Event Resolution Request Date” means, with respect to a notice to ISDA, delivered in accordance with the ISDA Credit Derivatives Determinations Committee Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Credit Event for purposes of the Securities has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred,

the date of the occurrence of such event, the date, as publicly announced by ISDA to be the date that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on

which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the ISDA Credit Derivatives Determinations Committee Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-paragraphs (i) and (ii) above of this definition.

“Currency Amount” means with respect to

- (i) a Deliverable Obligation specified in a Physical Settlement Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the relevant Settlement Currency using a conversion rate determined by reference to the Currency Rate; and
- (ii) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice into the currency of denomination of the relevant Replacement Deliverable Obligation.

“Currency Rate” means:

- (i) with respect to a Deliverable Obligation specified in a Physical Settlement Notice, the rate of conversion between the currency of the Deliverable Obligation and the Settlement Currency determined by the Calculation Agent either by reference to (A) the Currency Rate Source as at the Next Currency Fixing Time or (B) if such rate is not available at such time, determined by the Calculation Agent in its sole and absolute discretion in a commercially reasonable manner; and
- (ii) a Replacement Deliverable Obligation specified in a Settlement Amendment Notice, the Revised Currency Rate.

“Currency Rate Source” means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m., Greenwich Mean Time, or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

“DC Credit Event Announcement” means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that

- (i) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof); and
- (ii) such event occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A DC Credit Event Announcement will be deemed not to have occurred unless (A) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last

day of the Notice Delivery Period (including prior to the Trade Date) and (B) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any, as applicable.

“DC No Credit Event Announcement” means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

“DC Question” has the meaning given to that term in the Rules.

“DC Resolution” has the meaning given to that term in the Rules.

“Dealer” means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Dealer specified in the Final Terms. If no Dealers are specified in the Final Terms, the Calculation Agent shall select the Dealers in its sole and absolute discretion. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for such Dealer(s).

“Default Requirement” means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the Final Terms, U.S.\$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event.

“Defaulted Reference Entity” means the first Reference Entity with respect to which a Credit Event Determination Date occurs or, if a Credit Event Determination Date occurs in respect of more than one Reference Entity on the same day, the first Reference Entity in respect of which either of the following events first occurred:

- (i) the Credit Event Resolution Request Date (provided that if a Credit Event Resolution Request Date occurs in respect of more than one such Reference Entity on the same day, the first Reference Entity in respect of which ISDA announces that the relevant notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of the relevant Publicly Available Information, in each case in accordance with the definition of “Credit Event Resolution Request Date”, shall be deemed to have satisfied this condition first); or
- (ii) the delivery of the Credit Event Notice and, if Notice of Publicly Available Information specified as a Condition to Settlement, the Notice of Publicly Available Information.

“Deliver” means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations comprising the Asset Amount to the relevant Securityholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any

counterclaim, defence (other than a counterclaim or defence based on the factors set out in paragraphs (i) to (iv) in the definition “Credit Event” above) or right of set-off by or of the Reference Entity, Underlying Obligor or Insured Obligor, as applicable); to the extent that

- (i) the Deliverable Obligations comprising the Asset Amount consists of Qualifying Guarantees, “**Deliver**” means to Deliver both the Qualifying Guarantee and the Underlying Obligation and
- (ii) the Deliverable Obligations comprising the Asset Amount consists of Qualifying Policies, “**Deliver**” means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy. “**Delivery**” and “**Delivered**” will be construed accordingly.

In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

“**Deliverable Obligation**” means:

- (i) any obligation of a Reference Entity or, if “First-to-Default” is specified as applying in the Final Terms, the Defaulted Reference Entity, (in either case, either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described under the “**(A) Method for Determining Deliverable Obligations**” below of this definition (but excluding each Excluded Deliverable Obligation (if any) specified in the Final Terms) that
 - (A) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (iv) of the definition “Credit Event” above) or right of set-off by or of a Reference Entity or the Defaulted Reference Entity, as the case may be, or any applicable Underlying Obligor or Insured Obligor, and
 - (C) in the case of a Qualifying Policy or Qualifying Guarantee other than a Qualifying Affiliate Guarantee, as the case may be, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the Securityholder or Securityholders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Insured Instrument or Underlying Obligation, as the case may be, shall not be considered a procedural requirement;
- (ii) subject to the second paragraph of the definition “Not Contingent” in “**(A) Method for Determining Deliverable Obligations**” below of this definition, each Reference Obligation, unless specified in the Final Terms as an Excluded Deliverable Obligation;
- (iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable

Obligation) that

- (A) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (i) to (iv) of the definition “Credit Event” above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor; and
 - (C) in the case of a Qualifying Policy or Qualifying Guarantee other than a Qualifying Affiliate Guarantee, as the case may be, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the Securityholder or Securityholders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Insured Instrument or Underlying Obligation, as the case may be, shall not be considered a procedural requirement; and
- (iv) any Additional Deliverable Obligation of a Reference Entity or the Defaulted Reference Entity, as the case may be, specified as such in the Final Terms.

(A) ***Method for Determining Deliverable Obligations.*** With respect to any Securities, the term “Deliverable Obligation” may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the Final Terms, and, subject to “***(B) Interpretation of Provisions***” below of this definition, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case as of the Delivery Date. The following terms shall have the following meanings:

- I. “**Deliverable Obligation Category**” means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below), except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- II. “**Deliverable Obligation Characteristics**” means any one or more of Not Subordinated, specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Not Contingent, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured, and Not Bearer

where:

- (1) “**Not Contingent**” means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount,

that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the “Not Contingent” Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (aa) to convert or exchange such obligation or (bb) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

An Insured Instrument will not be regarded as failing to satisfy the “Not Contingent” Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in paragraphs (i) and (ii) above of this definition have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

- (2) **“Assignable Loan”** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (3) **“Consent Required Loan”** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (4) **“Transferable”** means an obligation that is transferable to institutional Investors without any contractual, statutory or regulatory restriction (provided that none of the following shall be considered contractual, statutory or regulatory restrictions):

- (X) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (Y) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds);

“Maximum Maturity” means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the Final Terms;

“Accelerated or Matured” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Physical Settlement Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

“Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) ***Interpretation of Provisions.*** Unless expressly stated in the Final Terms that this paragraph (B) is not applicable to a Security:

- I. (1) if either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the Final Terms, the final terms & conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category;
- (2) the Deliverable Obligation Characteristic “Transferable” is specified in the Final Terms, the final terms & conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or
- (3) either of the Deliverable Obligation Characteristics “Assignable Loan” or “Consent Required Loan” is specified in the Final Terms, the final terms & conditions shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation

Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

- II. if any of “Payment”, “Borrowed Money”, “Loan” or “Bond or Loan” is specified as the Deliverable Obligation Category and more than one of Assignable Loan or Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and
- III. in the event that a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
 - (1) for the purposes of the application of the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;
 - (2) for the purposes of the application of the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Not Subordinated, specified Currency, Not Sovereign Lender, Not Domestic Currency, and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (x) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (y) the laws of England and the laws of the State of New York shall not be a Domestic Law.
 - (3) for the purposes of the application of the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured, and Not Bearer;
 - (4) for the purposes of the application of the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor; and
 - (5) the terms “**Outstanding Principal Balance**” and “Due and Payable Amount” (as they are used in these Terms & Conditions , including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in Condition 9 “Partial Cash Settlement” of the Credit Linked Terms, when used in connection with Qualifying Guarantees) are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

“**Deliverable Obligation Provisions**” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

“**Deliverable Obligation Terms**” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

“**Delivery Date**” means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is delivered.

“**Delivery Expenses**” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount.

“**Domestic Currency**” means the currency specified as such in the Final Terms and any successor currency. If no currency is specified in the Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of

- (i) the relevant Reference Entity, if the Reference Entity is a Sovereign, or
- (ii) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign.

In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any of the aforementioned currencies).

“**Downstream Affiliate**” means an entity whose outstanding Voting Shares were, at the date of the issuance of the Qualifying Guarantee, more than fifty (50) percent owned, directly or indirectly, by the Reference Entity.

“**Due and Payable Amount**” means, subject as provided in “*(B) Interpretation of Provisions*” under the definition of “Deliverable Obligation”, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

“**Eligible Transferee**” means:

- (i) any:
 - (A) bank or other financial institution;
 - (B) insurance or reinsurance company;
 - (C) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (iii)(A) below of this definition); and
 - (D) registered or licensed broker or dealer (other than a natural person or proprietorship),provided, however, in each case that such entity has total assets of at least U.S.\$500 million;

- (ii) an affiliate of an entity specified in paragraph (i) above of this definition;
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (B) that has total assets of at least U.S.\$500 million; or
 - (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in paragraphs (i), (ii) or (iii)(B) above or (iv) below of this definition; and
- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

“Enabling Obligation” means an outstanding Deliverable Obligation that

- (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable; and
- (ii) has a final maturity date occurring on or prior to the Maturity Date and following the Limitation Date immediately preceding the Maturity Date (or, in circumstances where the Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

“Equity Securities” means:

- (i) in the case of a Convertible Obligation, Equity Securities (including options and warrants) of the issuer of such obligation or depositary receipts representing Equity Securities of the issuer of such obligation together with any other property distributed to or made available to holders of those Equity Securities from time to time; and
- (ii) in the case of an Exchangeable Obligation, Equity Securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing Equity Securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those Equity Securities from time to time.

“Exchangeable Obligation” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the Cash Settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

“Excluded Obligation” means any obligation of a Reference Entity specified as such in the Final Terms.

“Exercise Cut-off Date” means, with respect to a Credit Event:

- (i) if such Credit Event is a Restructuring and neither “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” nor “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms, either:
 - (A) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
 - (B) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (C) the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any, as applicable; or
- (ii) if such Credit Event is a Restructuring and either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms and:
 - (A) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or
 - (B) a No Auction Announcement Date occurs pursuant to paragraph (i) of this definition thereof the date that is twenty-one (21) calendar days following such No Auction Announcement Date.

“Extension Date” means the latest of:

- (i) the Maturity Date;
- (ii) where “Grace Period Extension” is specified as applying in the Final Terms, the Grace Period Extension Date if
 - (A) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Maturity Date; and
 - (B) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Maturity Date; and
- (iii) the Repudiation/Moratorium Evaluation Date if

- (A) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium that occurs after the Maturity Date;
- (B) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time), on the Maturity Date; and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

“Failure to Pay” means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

“Fallback Settlement Method” means the fallback settlement method specified (or deemed specified) in the Final Terms.

“Fallback Settlement Method Event” means any one or more of the following:

- (i) an Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, a Parallel Auction Cancellation Date occurs;
- (ii) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (ii) of the definition “No Auction Announcement Date”, the Issuer has not exercised the Movement Option);
- (iii) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date”; or
- (iv) a Credit Event Determination Date was determined pursuant to sub-paragraph (i) of the definition “Credit Event Determination Date” and no Credit Event Resolution Request Date has occurred on or prior to the date falling three (3) Business Days after such Credit Event Determination Date

“Final List” has the meaning given to that term in the Rules.

“Final Price” means the price of the Reference Obligation (and if “First-to-Default” is specified as applying in the Final Terms, the Reference Obligation of the Defaulted Reference Entity), expressed as a percentage, determined in accordance with the Valuation Method specified in the Final Terms.

“Full Quotation” means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

“Fully Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing system or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of “Fully Transferable Obligation”. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of “Fully Transferable Obligation”, such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

“Governmental Authority” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

“Grace Period” means:

- (i) subject to paragraphs (ii) and (iii) below of this definition, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;
- (ii) if “Grace Period Extension” is specified as applying in the Final Terms, a Potential Failure to Pay has occurred on or prior to the Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified in the Final Terms, thirty (30) calendar days; and
- (iii) if, at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless “Grace Period Extension” is specified as applying in the Final Terms, such deemed Grace Period shall expire no later than the Maturity Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if:

- (i) “Grace Period Extension” is specified as applying in the Final Terms; and
- (ii) a Potential Failure to Pay occurs on or prior to the Maturity Date (determined by reference to

Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)) (and such Grace Period(s) is/are continuing as at that date),

the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

“Hedge Disruption Event” means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such affiliate to hedge the Issuer’s obligations or position in respect of the Securities.

“Hedge Disruption Obligation” means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be delivered as a result of a Hedge Disruption Event.

“Hedging Costs” means, notwithstanding any provisions in the General Terms & Conditions, in respect of the Early Redemption Amount, Optional Redemption Amount, Final Redemption Amount, Auction Cash Settlement Amount, Cash Settlement Amount, Credit Event Redemption Amount or such other amount specified in the Final Terms to be subject to adjustment for Hedging Costs (each a **“Relevant Redemption Amount”**) or the Asset Amount, as the case may be

- (i) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs or, as the case may be, a payment will be made by the Securityholder to the Issuer to the extent of such losses, expenses and costs in respect of the Asset Amount); or
- (ii) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain or, as the case may be, a payment will be made by the Issuer to the Securityholder to the extent of such gain in respect of the Asset Amount), as the case may be, to the Issuer and/or any affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing, settling or re-establishing any underlying and/or related hedging and funding arrangements (including but not limited to any options, currency and derivative trades or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging or funding arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

“Instrument Payments” means

- (i) in the case of any Insured Instrument that is in the form of a passthrough Security or similar funded beneficial interest, (A) the specified periodic distributions in respect of interest or other return on the Security Balance on or prior to the ultimate distribution of the Security Balance; and (B) the ultimate distribution of the Security Balance on or prior to a specified date; and
- (ii) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (i) and (ii) (1) determined without regard to limited recourse or reduction provisions of the type described in the definition of “Not Contingent” above and (2)

excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

“Intervening Period” means such period of time as any person other than the relevant Securityholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

“Limitation Date” means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the “2.5-year Limitation Date”), 5 years (the “5-year Limitation Date”), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the “20-year Limitation Date”), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the Final Terms specifies otherwise.

“Liquidated Value” means, with respect to a Deliverable Obligation and a Delivery Date, the proceeds received by the Issuer in respect of the sale of such Delivery Obligation as of the Delivery Date on the basis of the following:

- (i) if more than one Full Quotation (for which purpose any reference to “Reference Obligation” in the definition thereof shall be deemed to be a reference to “Deliverable Obligation”) are obtained, the highest of such Full Quotations;
- (ii) if only one Full Quotation is obtained, such Full Quotation;
- (iii) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (iv) if neither a Full Quotation nor a Weighted Average Quotation is obtained, subject to where the Quotation is deemed to be zero, an amount as determined by the Calculation Agent on the next Business Day on which at least one Full Quotation or a Weighted Average Quotation is obtained; or
- (v) if the Quotations are deemed to be zero, the Liquidated Value shall be determined by the Calculation Agent acting in good faith in its sole discretion.

“Market Value” means, with respect to a Reference Obligation, on a Valuation Date:

- (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;

- (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of “Quotation”, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (vi) if the Quotations are deemed to be zero, the Market Value shall be zero.

“**Minimum Quotation Amount**” means the amount specified as such in the Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (A) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (B) the Quotation Amount.

“**Modified Eligible Transferee**” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

“**Modified Restructuring Maturity Limitation Date**” means, with respect to a Deliverable Obligation:

- (i) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is not applicable, the date that is the later of
 - (A) the Maturity Date; and
 - (B) sixty (60) months following the Restructuring Date in the case of a Restructured Bond or Loan, or thirty (30) months following the Restructuring Date in the case of all other Deliverable Obligations; or
- (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Limitation Date occurring on or immediately following the Maturity Date, provided that, in circumstances where the Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms and the Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Maturity Date is either
 - (A) on or prior to the 2.5- year Limitation Date; or
 - (B) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists,

the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Maturity Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Maturity Date.

“Movement Option” means, if:

- (i) either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms in respect of the relevant Reference Entity; and
- (ii) a No Auction Announcement Date has occurred pursuant to sub-paragraph (ii) of the definition “No Auction Announcement Date”,

the option of the Issuer to apply to the Securities, for the purposes of determining the Auction Final Price, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could be specified in any Physical Settlement Notice (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply).

The Issuer shall be deemed to have exercised such option if the Calculation Agent delivers an effective Notice to Exercise Movement Option to the Issuer on or prior to the Movement Option Cut-off Date. If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

“Movement Option Cut-off Date” means the date that is four Relevant City Business Days following the Exercise Cut-off Date.

“Next Currency Fixing Time” means 4:00 p.m., Greenwich Mean Time on the London Business Day immediately following the date on which the Physical Settlement Notice or relevant Physical Settlement Amendment Notice, as applicable, is effective.

“No Auction Announcement Date” means, in relation to Auction Settled Securities, with respect to a Credit Event, the date on which ISDA first publicly announces that:

- (i) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (ii) following the occurrence of a Restructuring with respect to Credit Linked Securities for which either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms only, no Transaction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (iii) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

“Notice Delivery Period” means the period from and including the Trade Date to and including the later of

- (i) the Extension Date; and

- (ii) the Deferred Maturity Date (if Condition 7 “Deferral of Maturity Date” of the Credit Linked Terms applies).

“**Notice to Exercise Movement Option**” means, in relation to Auction Settled Securities for which

- (i) either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the Final Terms; and
- (ii) the Fallback Settlement Method would otherwise be applicable pursuant to paragraph (ii) of the definition “Fallback Settlement Method Event”, an irrevocable notice from the Calculation Agent to the Issuer (which may be in writing (including by facsimile and/or email) and/or by telephone (which the Calculation Agent has the right but not the obligation to deliver)) that (A) specifies the Parallel Auction Settlement Terms applicable with respect to such Auction Settled Securities in accordance with the definition of “Movement Option” and (B) is effective on or prior to the Movement Option Cut-off Date.

“**Notice of Publicly Available Information**” means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition “Repudiation/Moratorium”. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If “Notice of Publicly Available Information” is specified as applying in the Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

“**Obligation**” means:

- (i) any obligation of a Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described under the “*(A) Method for Determining Obligations*” below of this definition (but excluding each Excluded Obligation (if any) specified in the Final Terms);
 - (ii) each Reference Obligation specified in the Final Terms, unless specified as an Excluded Obligation; and
 - (iii) any Additional Obligation of a Reference Entity specified as such in the Final Terms.
- (A) ***Method for Determining Obligations.*** With respect to any Securities, the term “Obligation” may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the Final Terms, and having each of the Obligation Characteristics (if any) specified in the Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- I. **“Obligation Category”** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Final Terms,

where:

- (1) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (2) **“Borrowed Money”** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
- (3) **“Reference Obligations Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
- (4) **“Bond”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
- (5) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
- (6) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.

- II. **“Obligation Characteristics”** means any one or more of Not Subordinated, specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the Final Terms,

where:

- (1) (X) **“Not Subordinated”** means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity. For the purposes of determining whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (I) the Trade Date specified in the Final Terms and (II)

the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date; and

- (X) “**Subordination**” means, with respect to an obligation (the “**Subordinated Obligation**”) and another obligation of the Reference Entity to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust or other similar arrangement providing that (aa) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (bb) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. “**Subordinated**” will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;
- (2) “**Currency**” means an obligation that is payable in the currency or currencies specified as such in the Final Terms (or, if “**Currency**” is specified in the Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any of the aforementioned currencies), which currencies shall be referred to collectively in the Final Terms as the specified “**Standard Currencies**”);
- (3) “**Not Sovereign Lender**” means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “**Paris Club debt**”;
- (4) “**Not Domestic Currency**” means any obligation that is payable in any currency other than the Domestic Currency;
- (5) “**Not Domestic Law**” means any obligation that is not governed by the laws of (x) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (y) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) “**Listed**” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

- (7) “**Not Domestic Issuance**” means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

(B) *Interpretation of Provisions.*

- I. If the Obligation Characteristic “**Listed**” is specified in the Final Terms, the final terms & conditions shall be construed as though “Listed” had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.
- II. In the event that an Obligation is a Qualifying Guarantee, the following will apply:
- (1) for the purposes of the application of the Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;
 - (2) for the purposes of the application of the Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics, if any, specified in the Final Terms from the following list: Not Subordinated, specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (x) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (y) the laws of England and the laws of the State of New York shall not be a Domestic Law;
 - (3) for the purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured, and Not Bearer;
 - (4) for the purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor; and
 - (5) the terms “**Outstanding Principal Balance**” and “Due and Payable Amount” (as they are used in these Terms & Conditions, including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in Condition 9 “Partial Cash Settlement” of the Credit Linked Terms, when used in connection with Qualifying

Guarantees) are to be interpreted to be the then Outstanding Principal Balance or Due and Payable Amount, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

“Obligation Acceleration” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Obligation Currency” means the currency or currencies in which an Obligation is denominated.

“Obligation Default” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Outstanding Principal Balance” means, subject as provided in sub-paragraph (III.)(5) under the **“(B) Interpretation of Provisions”** of the definition “Deliverable Obligation”, in relation to a Reference Obligation or a Deliverable Obligation:

- (i) if that Reference Obligation or Deliverable Obligation, as the case may be, is an Accreting Obligation, the Accreted Amount thereof;
- (ii) if that Reference Obligation or Deliverable Obligation, as the case may be, is an Exchangeable Obligation but not an Accreting Obligation, the outstanding principal amount of such obligation excluding any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable; and
- (iii) in relation to any other Reference Obligation or Deliverable Obligation, as the case may be, the outstanding principal amount of such Reference Obligation or Deliverable Obligation.

“Parallel Auction Cancellation Date” means “Auction Cancellation Date” as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Final Price Determination Date” means “Auction Final Price Determination Date” as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Settlement Date” means “Auction Settlement Date” as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Settlement Terms” means, following the occurrence of a Restructuring and provided that either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to the Securities

and for which any credit derivative transaction(s) related to or underlying the Securities would not be an Auction Covered Transaction.

“Payment Requirement” means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the Final Terms, U.S.\$1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

“Permissible Deliverable Obligations” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

“Permitted Currency” means

- (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or
- (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody’s Investor Services or any successor to the rating business thereof, or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

“Physical Settlement Date” means the day as specified in the relevant Final Termhsheet following the satisfaction of the Conditions to the Physical Settlement (the **“Scheduled Physical Settlement Date”**), Provided that if a Hedge Disruption Event has occurred and is continuing on the second (2nd) Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (A) the second (2nd) Business Day following the date on which no Hedge Disruption Event exists and (B) the day falling sixty (60) Business Days following the Scheduled Physical Settlement Date.

“Physical Settlement Notice” means a notice from the Issuer to the Securityholders in accordance with the Conditions confirming that the Issuer will, subject to Condition 8 “Procedures for Physical Settlement” and Condition 10 “Credit Event Notice after Restructuring Credit Event” of the Credit Linked Terms, redeem the Securities in accordance with Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Term and satisfying the requirements of a Physical Settlement Notice.

“Physical Settlement Period” means the number of Business Days specified as such in the Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Physical Settlement Notice, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

“Physically Settled Securities” means Securities in respect of which “Physical Settlement” is specified as the applicable Settlement Method in the Final Terms or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

“Potential Failure to Pay” means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

“Potential Repudiation/Moratorium” means the occurrence of an event described in paragraph (i) of the definition “Repudiation/Moratorium”.

“Public Source” means each source of Publicly Available Information specified as such in the Final Terms or if a source is not specified in the Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

“Publicly Available Information” means:

- (i) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (A) has been published in or on not less than the specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either the Calculation Agent or the Issuer or any of their respective affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing system or paying agent for an Obligation;
 - (B) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency (in respect of a Reference Entity that is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing system or paying agent for an Obligation; or
 - (C) is information contained in any petition or filing instituting a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights or a petition is presented for winding-up or liquidation against or by a Reference Entity; or
 - (D) is information contained in any order, decree or notice, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

In the event that the Issuer is (X) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing system or paying agent for an Obligation and (Y) a holder of the Obligation with respect to which a Credit Event has occurred, the Issuer shall be required to deliver to the Calculation Agent a certificate signed by a Manager Director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

- (ii) In relation to any information of the type described in paragraphs (i)(B) to (i)(D) above of this definition, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.
- (iii) Publicly Available Information need not state (i) in relation to the determination of any Downstream affiliate, the percentage of Voting Shares owned, directly or indirectly by the Reference Entity and (ii) that such occurrence:
 - (A) has met the Payment Requirement or Default Requirement;
 - (B) is the result of exceeding any applicable Grace Period; or
 - (C) has met the subjective criteria specified in certain Credit Events.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

“Qualifying Guarantee” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **“Underlying Obligation”**) for which another party is the obligor (the **“Underlying Obligor”**). Qualifying Guarantees shall exclude any arrangement

- (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement; or
- (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

“Qualifying Policy” means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (the **“Insured Instrument”**) for which another party (including a special purpose entity or trust) is the obligor (the **“Insured Obligor”**). Qualifying Policies shall exclude any arrangement

- (i) structured as a surety bond, letter of credit or equivalent legal arrangement: or
- (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of sub-paragraph (II.) under the “**(B) Interpretation of Provisions**” of the definition “Obligation” or sub-paragraph (III.) under the “**(B) Interpretation of Provisions**” of the definition “Deliverable Obligation”, respectively, will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

- (i) the Obligation Category “Borrowed Money” and the Obligation Category and Deliverable Obligation Category “Bond” shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category “Bond” shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in the Credit Terms in respect of such an Insured Instrument, shall be construed accordingly;
- (ii) references in the definitions of “Assignable Loan” and “Consent Required Loan” to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
- (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic “Accelerated or Matured”, whether or not that characteristic is otherwise specified as applicable in the Final Terms;
- (iv) if the “Assignable Loan”, “Consent Required Loan”, Direct Loan Participation or “Transferable” Deliverable Obligation Characteristics are specified in the Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;
- (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “outstanding principal balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the “Maximum Maturity” Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
- (vi) sub-paragraph (II.)(2) under the “**(B) Interpretation of Provisions**” of the definition “Obligation” and sub-paragraph (III.)(2) under the “**(B) Interpretation of Provisions**” of the definition “Deliverable Obligation” shall not apply and instead the following shall apply:
 - (A) for the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Policy and the Insured Instrument must

satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes (1) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (2) the laws of England and the laws of the State of New York shall not be a Domestic Law; and

- (B) for the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Policy must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic “Not Subordinated”, if specified in the Final Terms.

In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of “Conditionally Transferable Obligation” to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in the definitions of “Fully Transferable Obligation”, “Conditionally Transferable Obligation” and “Restructuring Maturity Limitation Date”, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

“**Quotation**” means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three (3) Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth (10th) Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five Dealers or more and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth (10th) Business Day following the applicable Valuation Date, the Quotations shall be deemed to be zero.
- (ii)
 - (A) If “Include Accrued Interest” is specified in the Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest.
 - (B) If “Exclude Accrued Interest” is specified in the Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest.
 - (C) If neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the Final Terms in respect of Quotations, the Calculation Agent shall determine, based on then current market practice in the market of the Reference Obligation, whether such

Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (iii) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

“Quotation Amount” means the amount specified as such in the Final Terms or, if no amount is specified in the Final Terms, the Calculation Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

“Quotation Method” means the applicable Quotation Method specified in the Final Terms by reference to one of the following terms:

- (i) **“Bid”** means that only bid quotations shall be requested from Dealers;
- (ii) **“Offer”** means that only offer quotations shall be requested from Dealers; or
- (iii) **“Mid-market”** means that bid and offer quotations shall be requested from Dealers and shall be averaged for the purposes of determining a relevant Dealer’s quotation.

If a Quotation Method is not specified in the Final Terms, Bid shall apply.

“Reference Entity” means each entity specified as such in the Final Terms and any Successor. Any Successor to a Reference Entity identified pursuant to the definition of “Successor” shall be the Reference Entity for the purposes of the relevant Securities.

“Reference Obligation” means each obligation specified or of a type described as such in the Final Terms and any Substitute Reference Obligation.

“Reference Portfolio” means, if “First-to-Default” is specified in the Final Terms, a portfolio comprising all entities (each a “Reference Entity”) specified as such in the Final Terms and, in each case, any Successor.

“Relevant City Business Day” has the meaning given to that term in the Rules.

“Relevant Obligations” means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

“**Repudiation/Moratorium**” means the occurrence of both of the following events:

- (i) (A) an authorised officer of a Reference Entity or a Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
- (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“**Repudiation/Moratorium Evaluation Date**” means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)),

- (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date); and
- (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium.

“**Repudiation/Moratorium Extension Condition**” means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applying in the Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Trade Date to and including the Maturity Date.

“**Repudiation/Moratorium Extension Notice**” means an irrevocable notice (which may be by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Maturity Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

“**Resolve**” has the meaning given to that term in the Rules, and “Resolved” and “Resolves” shall be interpreted accordingly.

“Restructured Bond or Loan” means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

“Restructuring” means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (A) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above of this definition due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above of this definition in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity or, in the case of a Qualifying Policy and an Insured Instrument, where (1) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (2) such event is not a change in the ranking in the priority of payment of the Qualifying Policy.

For purposes of this definition of “Restructuring” and Condition 11 “Provisions relating to Multiple Holder Obligation” of the Credit Linked Terms, the term Obligation shall be deemed to include (i) Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy or (ii) Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Policy or Qualifying Guarantee and an Insured Instrument or Underlying Obligation, as the case may be, references to the Reference Entity in this definition of “Restructuring” and the definition of “Subordination” shall be deemed to refer to the Insured Obligor or Underlying Obligor, as the case may be, and the reference to the Reference Entity in this definition of “Restructuring” shall continue to refer to the Reference Entity.

With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) above of this definition shall be deemed to be amended to read as follows:

- “(i) a reduction in the rate or amount of the Instrument Payments described in sub-paragraph (A)(X) of this definition thereof that are guaranteed or insured by the Qualifying Policy;
- (ii) a reduction in the amount of the Instrument Payments described in sub-paragraph (A)(Y) of this definition thereof that are guaranteed or insured by the Qualifying Policy;
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in sub-paragraph (A)(X) of this definition thereof or (B) the payment of the Instrument Payments described in sub-paragraph (A)(Y) of this definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
- (iv) a change in the ranking in priority of payment of (1) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (2) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
- (v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.”

“**Restructuring Date**” means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“**Restructuring Maturity Limitation Date**” means, with respect to a Deliverable Obligation:

- (i) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is not applicable, the date that is the earlier of
 - (A) thirty (30) months following the Restructuring Date; and

- (B) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than thirty (30) months following the Maturity Date and, if it is, shall be deemed to be the Maturity Date or thirty (30) months following the Maturity Date, as the case may be; or
- (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Limitation Date occurring on or immediately following the Maturity Date, provided that, in circumstances where the Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a “**Latest Maturity Restructured Bond or Loan**”) and the Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. In the event that the Maturity Date is later than
 - (A) (1) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or
 - (2) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists; or
 - (B) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Maturity Date.

“**Revised Currency Rate**” means, with respect to a Replacement Deliverable Obligation specified in a Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either

- (i) by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
- (ii) if such rate is not available at such time, by the Calculation Agent in its sole and absolute discretion, acting in a commercially reasonable manner.

“**Settlement Currency**” means the currency specified as such in the Final Terms, or if no currency is specified in the Final Terms, the specified Currency of the Securities.

“**Sovereign**” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

“**Sovereign Agency**” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

“**Sovereign Restructured Deliverable Obligation**” means an Obligation of a Sovereign Reference Entity

- (i) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has

occurred; and

- (ii) described by the Deliverable Obligation Category specified in the Final Terms; and
- (iii) subject to sub-paragraph (II.) under the “**(B) Interpretation of Provisions**” of the definition “Deliverable Obligation”, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

“**Specified Number**” means the number of Public Source(s) specified in the Final Terms, or if no number is specified in the Final Terms, two.

“**Substitute Reference Obligation**” means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (i) In the event that:
 - (A) a Reference Obligation is redeemed in whole; or
 - (B) in the opinion of the Calculation Agent (1) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (2) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee or an Insured Instrument with a Qualifying Policy, as the case may be, of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Policy or Qualifying Guarantee, as the case may be, is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (3) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

- (ii) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that
 - (A) ranks pari passu (or, if no such Obligation exists, then, at the Issuer’s option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (1) the Trade Date and (2) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date);

- (B) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer; and
 - (C) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Policy or Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applying in the Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (iii) If more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth in paragraph (i) above of this definition has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
 - (iv) If more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth in paragraph (i) above of this definition has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
 - (v) If:
 - (A) more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth in paragraph (i) above of this definition has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations; or
 - (B) if only one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth in paragraph (i) above of this definition has occurred with respect to the Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.

- (A) If either
 - (1) “Cash Settlement” is specified in the Final Terms (or “Auction Settlement” is so specified, a Fallback Settlement Method Event occurs and “Cash Settlement” is specified as the applicable Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation; or

- (2) either the Securities are Auction Settled Securities or “Physical Settlement” is specified in the Final Terms (or “Auction Settlement” is so specified, a Fallback Settlement Method Event occurs and “Physical Settlement” is specified as the applicable Fallback Settlement Method) and in each case the Reference Obligation is the only Deliverable Obligation; and
- (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer’s obligations under the Securities shall cease as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).
- (vi) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation’s CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

“**Succession Event**” means an event such as a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; provided that, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, a “Succession Event” with respect to a Reference Entity that is a Sovereign shall mean an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity.

Notwithstanding the foregoing, “Succession Event” shall not include

- (i) an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event; or
- (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

“**Succession Event Backstop Date**” means, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable:

- (i) for purposes of any event that constitutes a Succession Event, as determined by DC Resolution, the date that is ninety (90) calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)); or

- (ii) otherwise, the date that is ninety (90) calendar days prior to the earlier of
 - (A) the date on which the Succession Event Notice is effective; and
 - (B) in circumstances where (1) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (i) and (ii) of the definition “Succession Event Resolution Request Date” are satisfied in accordance with the Rules, (2) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (3) the Succession Event Notice is delivered by the Calculation Agent not more than fourteen (14) calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“Succession Event Notice” means, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, an irrevocable notice from the Calculation Agent (which may be in writing and/or by telephone) to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign, Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to sub-paragraphs (i) or (ii) of the definition “Successor” of (A) whether a Succession Event has occurred and (B) if relevant, the identity of any Successor(s).

“Succession Event Resolution Request Date” means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

“Successor” means, unless otherwise specified in the Final Terms:

- (i) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

- (A) if one entity directly or indirectly succeeds to seventy-five (75) per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (B) if only one entity directly or indirectly succeeds to more than twenty-five (25) per cent. (but less than seventy-five (75) per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five (25) per cent. of the Relevant Obligations will be the sole Successor;
 - (C) if more than one entity each directly or indirectly succeeds to more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five (25) per cent. of the Relevant Obligations will each be a Successor, and the Calculation Agent shall adjust such of the Conditions as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
 - (D) if one or more entities each directly or indirectly succeeds to more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will be a Successor, and the Calculation Agent shall adjust such of the Conditions as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
 - (E) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
 - (F) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five (25) per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and
- (ii) in relation to a Sovereign Reference Entity, any direct or indirect successor to such Reference

Entity irrespective of whether such successor assumes any obligation of such Reference Entity, as determined by the Calculation Agent.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than fourteen (14) calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, each Sovereign and/or entity (if any) that qualifies under sub-paragraph (ii) above of this definition; provided that, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Calculation Agent will not make such determination if, at such time, either

- (1) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (ii) above of this definition, and sub-paragraph (i) and item (ii)(B) of the definition “Succession Event Resolution Request Date” are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor); or
- (2) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has resolved that no event that constitutes a Succession Event for the purposes of the Securities has occurred.

In the case of sub-paragraph (i) above of this definition, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen (14) calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set out in sub-paragraphs (i)(A) to (i)(F) above of this definition have been met, or which entity qualifies under sub-paragraph (i)(F) above of this definition, as applicable; provided that, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Calculation Agent will not make such determination if, at such time, either

- (1) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (i) above of this definition, and sub-paragraphs (i) and (ii)(A) of the definition “Succession Event Resolution Request Date” are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor); or
- (2) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set out in sub-paragraph (i) above of this definition have been met, or which entity qualifies under sub-paragraph (i)(F) above of this definition, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer of such calculation.

For the purposes of this definition of “**Successor**”, “**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity

- (1) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement; or
- (2) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily), insurer or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (i) above of this definition shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

- (1) a Reference Obligation with respect to a Reference Entity is specified in the Final Terms; and
- (2) one or more Successors to the Reference Entity have been identified; and
- (3) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of “Substitute Reference Obligation” above.

For the purposes of sub-paragraph (i)(C) or (i)(D) above of this definition, the Issuer shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Conditions in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2003 ISDA Credit Derivatives Definitions. Upon making such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with the Conditions, stating the adjustment to the Conditions and giving brief details of the relevant Succession Event.

“**Supranational Organisation**” means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, the European Central Bank, the International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

“**Trade Date**” means the date specified as such in the Final Terms.

“**Transaction Auction Settlement Terms**” means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms for which any credit derivative transaction(s) related to or underlying the Securities would be an Auction Covered Transaction.

“**Transaction Type**” means, in respect of a Reference Entity, the transaction type specified in respect of such Reference Entity in the Final Terms.

“Undeliverable Obligation” means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Consent Required Loans or Assignable Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

“Valuation Date” means

- (i) in the case of Physically Settled Securities, the date that is the number of Business Days specified in the Final Terms; or , if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is the day falling two (2) Business Days after the Final Delivery Date, or
- (ii) in the case of Cash Settled Securities, if “Single Valuation Date” is specified in the Final Terms, the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date; or
- (iii) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Securities for which “Cash Settlement” is specified as the applicable Fallback Settlement Method in the Final Terms, the date that is the number of Business Days specified in the Final Terms after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the relevant date; and
- (iv) if **“Multiple Valuation Dates”** is specified in the Final Terms, each of the following dates:
 - (A) the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date); and
 - (B) each successive date that is the number of Business Days specified in the Final Terms (or if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates). If neither Single Valuation Date nor Multiple Valuation Dates is specified in the Final Terms, Single Valuation Date shall apply.

“Valuation Method” means

- (i) in case of only one Reference Obligation and only one Valuation Date the following Valuation

Methods as specified in the Final Terms:

- (A) “**Market**” meaning the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
- (B) “**Highest**” meaning the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Highest.

- (ii) in case of only one Reference Obligation and more than one Valuation Date the following Valuation Methods as specified in the Final Terms:

- (A) “**Average Market**” meaning the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (B) “**Highest**” meaning the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
- (C) “**Average Highest**” meaning the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Average Highest.

- (iii) in case of more than one Reference Obligation and only one Valuation Date the following Valuation Methods as specified in the Final Terms:

- (A) “**Blended Market**” meaning the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or
- (B) “**Blended Highest**” meaning the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Blended Highest.

- (iv) in case of more than one Reference Obligation and more than one Valuation Date the following Valuation Methods as specified in the Final Terms:

- (A) “**Average Blended Market**” meaning, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

- (B) **“Average Blended Highest”** meaning, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Average Blended Highest.

- (v) Notwithstanding paragraphs (i) to (iv) above of this definition, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

“Valuation Time” means the time specified as such in the Final Terms or, if no time is so specified, 11:00 a.m. in the principal trading market for the Reference Obligation.

“Voting Shares” shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

“Weighted Average Quotation” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance as large a size as available but less than the Quotation Amount (but if “Minimum Quotation Amount” is specified in the Final Terms, of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

2. Redemption

Unless previously redeemed or purchased and cancelled, and subject to the General Terms & Conditions, each Security will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Final Terms according to the relevant specified Currency on the (scheduled) Maturity Date or Redemption Date (or if no such provision is made in the Final Terms at the Outstanding Principal Amount thereof).

Notwithstanding the provisions of the General Terms & Conditions, for the purpose of Condition 15(f) “Early Redemption Amount” of the General Terms & Conditions, if applicable, the Early Redemption Amount in respect of the Outstanding Principal Amount of the Securities equals to the Calculation Amount and will be determined by reference to the provisions in the Final Terms, provided that if “Adjustment for Hedging Costs” is specified in the Final Terms, in this case the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

In case of a Credit Event the form and the method of the Final Settlement (Cash Settlement and/or Physical Settlement) of each Security will be specified in the Final Terms in accordance with Condition 3 “Cash Settlement following a Credit Event” or Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms, as applicable; and if the Final Terms provides that option to the Issuer, at the sole discretion of the Issuer, by giving notice to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions; provided that:

- (i) the choice of the Issuer for Physical Settlement or Cash Settlement may be revoked if the Issuer understands that its initial option becomes illegal under the applicable laws and commercially impracticable or, for any reason, unfeasible. In such occurrence, the Issuer shall notify the Holder of such impossibility and indicate that the settlement will occur according to the other option available;
- (ii) no further Security payments referring to the Outstanding Principal Amount and/or to the Interests shall be due and the Issuer shall redeem the Securities by choosing one or more of the alternatives above;
- (iii) upon payment of the Cash Settlement Amount and/or the Physical Settlement in respect of such Securities, the Issuer shall have discharged its obligations in respect of such Securities and shall have no other liability or obligation whatsoever in respect thereof. The Cash Settlement Amount and/or the Physical Settlement may be less than the Outstanding Principal Amount of such a Security. Any shortfall shall be borne by the Securityholders, and no liability shall attach to the Issuer; and
- (iv) unless otherwise specified in the Final Terms, the payments of any applicable Taxes, Related Expenses and Unwind Costs (i.e. Hedging Costs) shall be made by the relevant Securityholders, and the Issuer shall not have any liability in respect thereof. The Issuer may withhold from the Cash Settlement Amount and/or the Physical Settlement any amount that would otherwise be due by the Securityholder in relation to such Taxes, Related Expenses and Unwind Costs and shall notify the Securityholder accordingly.

Unless otherwise specified in the Final Terms the Issuer has the right but not the obligation to provide the Credit Event Notice to the Securityholder in accordance with Condition 19 “Notices” of the General Terms & Conditions, and once a Credit Event Notice is provided, it is irrevocable. In case of Physical Settlement, the provided Credit Event Notice shall specify the Deliverable Obligations that the Issuer reasonably expects to deliver pursuant to the Notice of Physical Settlement. For the avoidance of doubt and unless otherwise specified in the Final Terms, the Issuer shall be entitled to select any Obligations which qualify as Deliverable Obligations, irrespective of their market value.

3. Cash Settlement following a Credit Event

(a) Securities without Auction Settlement

If the Securities are Cash Settled Securities as specified in the relevant Final Termheet, upon satisfaction of the Conditions to Settlement, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with Condition 19 “Notices” of the General Terms & Conditions, and, subject (if applicable) to Condition 10 “Credit Event Notice after Restructuring Credit Event” of the Credit Linked Terms, redeem all but not some only of the Securities on the Credit Event Redemption Date at the Credit Event Redemption Amount (which Credit Event Redemption Amount will, if “Adjustment for Hedging Costs” is specified in the Final Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything else to the contrary contained herein, if the Calculation Agent determines that

- (i) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Reference Obligation; and
- (ii) the date on which the final price is determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date,

the Calculation Agent may elect, in its sole and absolute discretion, that the Auction Final Price as so determined pursuant to such Auction shall be deemed to be the Final Price hereunder in respect of such Reference Entity (or, if “First-to-Default” is specified as applicable in the Final Terms, of the Defaulted Reference Entity), in which case, the definitions of Valuation Method, Valuation Date, Quotation, Quotation Method and Quotation Amount shall not apply in respect of such Reference Entity and/or Reference Obligation, and the terms of the relevant Credit Linked Securities shall be deemed amended (without further action by any party) to be consistent with the provisions of such Auction and its implementation in market standard credit default swap transactions referencing the relevant Reference Entity and/or Reference Obligation.

(b) *Securities with Auction Settlement*

If the Securities are Auction Settled Securities as specified in the relevant Final Termheet and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with Condition 19 “Notices” of the General Terms & Conditions, and, subject (if applicable) to Condition 10 “Credit Event Notice after Restructuring Credit Event” of the Credit Linked Terms, redeem all but not some only of the Securities on the Auction Settlement Date at the Auction Cash Settlement Amount (which Auction Cash Settlement Amount will, if “Adjustment for Hedging Costs” is specified in the Final Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding the above, if a Fallback Settlement Method Event occurs:

- (i) if “**Cash Settlement**” is specified as the applicable Fallback Settlement Method in the Final Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Conditions shall apply in respect of such Credit Event as if the Securities are not Auction Settled Securities (but for the avoidance of doubt, are Cash Settled Securities) and the Issuer shall redeem the Securities in accordance with Condition 3(a) “Securities without Auction Settlement” of the Credit Linked Terms; and
- (ii) if “**Physical Settlement**” is specified as the applicable Fallback Settlement Method in the Final Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Conditions shall apply in respect of such Credit Event as if the Securities were Physically Settled Securities and the Issuer shall redeem the Securities in accordance with Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms.

If no Fallback Settlement Method is specified as applicable in the Final Terms, “Physical Settlement” shall be deemed to be specified in the Final Terms as the applicable Fallback Settlement Method.

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this specific Condition, upon payment of the Credit Event Redemption Amount or Auction Cash

Settlement Amount (as applicable) in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) may be less than the Denomination of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

4. Physical Settlement following a Credit Event

If the Securities are Physically Settled Securities as specified in the relevant Final Term sheet, upon satisfaction of the Conditions to Settlement, the Issuer shall, subject (if applicable) to Condition 10 “Credit Event Notice after Restructuring Credit Event” of the Credit Linked Terms, redeem all but not some only of the Securities by Delivery of the Deliverable Obligations comprising the Asset Amount on the Credit Event Redemption Date, subject to and in accordance with Condition 8 “Procedures for Physical Settlement” of the Credit Linked Terms.

If “Adjustment for Hedging Costs” is specified in the Final Terms, and:

- (i) if the Hedging Costs represent losses and costs incurred by the Issuer, then
 - (A) the Securityholder will be required to make a payment to the Issuer in respect of such Hedging Costs as a condition of the Delivery of any Asset Amount by the Issuer; or
 - (B) if the Issuer so elects (as specified in the Physical Settlement Notice), the Issuer will deduct from the Asset Amount such Outstanding Principal Balance or Due and Payable Amount, as the case may be, of Delivery Obligations with a Liquidated Value of not less than the amount of such Hedging Costs and the Delivery by the Issuer of such reduced Asset Amount (and the payment of any excess of such Liquidated Value over the amount of such Hedging Costs) shall be deemed to satisfy and discharge in full the obligation of the Issuer in respect of the relevant Asset Amount; or
- (ii) if the Hedging Costs represent a gain to the Issuer, and unless otherwise specified in Final Terms, the Securityholder will receive a payment from the Issuer in respect of such Hedging Costs with the delivery of any Asset Amount by the Issuer.

If not already specified in the Final Terms, the Issuer shall specify in the Physical Settlement Notice (1) the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver and (2) if “Adjustment for Hedging Costs” is specified in the Final Terms, whether any Hedging Costs representing losses and costs incurred by the Issuer will be accounted for in the manner described in the subparagraphs 4(i)(A) or 4(i)(B) of this specific Condition. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

In addition, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, where (A) the relevant Credit Event is a Restructuring, (B) either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms, and (C) the Maturity Date is later than (1) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (2) the 2.5-year Limitation Date, the Physical

Settlement Notice shall contain a detailed description of at least one Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation.

In the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Issuer shall deliver the Physical Settlement Notice on or before the Physical Determination Date.

The Issuer may, from time to time, notify the Securityholders (each such notification, a “**Physical Settlement Amendment Notice**”) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective) or the detailed description(s) thereof. A Physical Settlement Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that Issuer will deliver to or to the order of the Securityholders (each, a “**Replacement Deliverable Obligation**”). Each such Physical Settlement Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Securityholders prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute a Physical Settlement Amendment Notice.

Notwithstanding the above, the Issuer may decide to redeem the Securities in accordance with Condition 3 “Cash Settlement following a Credit Event” of the Credit Linked Terms, even after a Notice of Physical Settlement has been sent to the Securityholders by delivery of a Notice to Securityholders overriding the Notice of Physical Settlement (in which case the Valuation Date shall be a date chosen by the Issuer in the period from (and including) the date of such notice to (and including) the tenth (10th) Business Day following such date).

If the Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this specific Condition, upon Delivery of the Deliverable Obligations and/or payment of the Cash Settlement Amount or the Auction Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount or the Auction Cash Settlement Amount may be less than the Denomination of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

5. Repudiation/Moratorium Extension

Where the Conditions to Settlement have not been satisfied on or prior to the (scheduled) Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the (scheduled) Maturity Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium will, in the sole determination of the Calculation Agent, fall after the (scheduled) Maturity Date, then the Calculation Agent shall notify the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

- (A) each Denomination of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the fifth (5th) Business Day following the Repudiation/Moratorium Evaluation Date; and
 - (B) in the case of interest bearing Securities, and unless otherwise specified in the Final Terms, the Issuer shall pay interest, calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the Final Terms as being the Interest Payment Dates, be the Maturity Date), and such payment of interest shall be made on the fifth (5th) Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and the Conditions to Settlement are satisfied, the provisions of Condition 3 “Cash Settlement following a Credit Event” or Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms, as applicable, shall apply to the Securities.

6. Grace Period Extension

If “Grace Period Extension” is specified as applicable in the Final Terms, the provisions of this specific Condition shall apply.

Where the Conditions to Settlement have not been satisfied on or prior to the (scheduled) Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the (scheduled) Maturity Date (and such Grace Period(s) is/are continuing as at that date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (A) each Denomination of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Final Redemption Amount on the fifth (5th) Business Day following the Grace Period Extension Date; and
 - (B) in the case of interest bearing Securities, and unless otherwise specified in the Final Terms, the Issuer shall pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the Final Terms as being the Interest Payment Dates, be the Maturity Date), and such payment of interest shall be made on the fifth (5th) Business Day following the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and the Conditions to Settlement are satisfied, the provisions of Condition 3 “Cash Settlement following a Credit Event” or Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms, as applicable, shall apply to the Securities.

7. Deferral of Maturity Date

If on the (scheduled) Maturity Date, (A) the Repudiation/Moratorium Evaluation Date, or (B) if “Grace Period Extension” is specified as applicable in the Final Terms, the Grace Period Extension Date, as the case may be, the Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred on or prior to such date, the Calculation Agent may notify the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions that the (scheduled) Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the “**Deferred Maturity Date**”) specified in such notice, and:

- (i) where the Conditions to Settlement are not satisfied on or prior to the Deferred Maturity Date:
 - (A) subject as provided below, each Security will be redeemed by the Issuer by payment of the Final Redemption Amount on the Deferred Maturity Date; and
 - (B) in the case of interest bearing Securities, and unless otherwise specified in the Final Terms, the Issuer shall pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the Final Terms as being the Interest Payment Dates, be the Maturity Date), and such payment of interest shall be made on the Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where the Conditions to Settlement are satisfied on or prior to the Deferred Maturity Date, the provisions of Condition 3 “Cash Settlement following a Credit Event” or Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms, as applicable, shall apply to the Securities.

8. Procedures for Physical Settlement

The Issuer shall give notice (such notice a “**Notice of Physical Settlement**”) to the Securityholders at least five (5) Business Days’ prior notice in accordance with Condition 19 “Notices” of the General Terms & Conditions the following:

- (i) the Physical Settlement Date;
- (ii) a detailed description of each of the selected delivery Asset Amount (e.g. Deliverable Obligations);
- (iii) the face value of the selected delivery Asset Amount that are to be delivered and the CUSIP or ISIN number of each of them if available (if such identifier is not available, the rate and tenor of the obligation and/or such other details that are commonly used to settle a transfer of the obligation in question); and
- (iv) if required, the method by which the Securityholder must provide its settlement instructions

to the Issuer.

The Issuer may give subsequent Notices of Physical Settlement to change the Physical Settlement Date and/or the selected delivery Asset Amount at any time by giving a new Notice of Physical Settlement to the Securityholders at least two (2) Business Days before the (restated) Physical Settlement Date and the last Notice of Physical Settlement given shall override all previous such Notices. The Issuer may correct any errors or inconsistencies in the description of the selected delivery Asset Amount by notice to the Securityholders prior to the Physical Settlement Date.

If required by the relevant Clearing System, the Securityholder shall notify the Issuer as soon as possible after receipt of the Physical Settlement Notice, and not later than three (3) Business Days before the Physical Settlement Date, its instructions for settlement by a duly completed “**Asset Transfer Notice**”. If a Securityholder fails to notify the Issuer, as applicable, of its settlement instructions, the Issuer shall not be obliged to deliver the selected Asset Amount in respect of the Security until five (5) Business Days following the receipt of the duly completed Asset Transfer Notice from the Securityholder. Delivery shall be made in accordance with standard market practice applicable to the relevant selected delivery Asset Amount.

If a Securityholder fails to give a requested Asset Transfer Notice as provided herein at least two (2) Business Days before the Physical Settlement Date or on or prior to the due date (“**Cut-Off Date**”) specified in the Final Terms, the Issuer will, subject as provided above, deliver the Deliverable Obligations constituting the Asset Amount in respect of the relevant Securities as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling forty-five (45) Business Days after the relevant due date, the Issuer’s obligations in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applicable in the Final Terms and “Restructuring” is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (A) is a Fully Transferable Obligation and (B) has a final Maturity Date not later than the applicable Restructuring Maturity Limitation Date.

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is specified as applicable in the Final Terms and “Restructuring” is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (A) is a Conditionally Transferable Obligation and (B) has a final Maturity Date not later than the applicable Modified Restructuring Maturity Limitation Date.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office by the Paying Agent or by the relevant Clearing System. An Asset Transfer Notice must:

- (i) specify the name and address of the relevant Securityholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the Final Terms;
- (ii) specify the Outstanding Principal Amount of Securities which are the subject of such notice and the number of the Securityholder’s account at the relevant Clearing System, as the case may be, to be debited with such Securities and irrevocably instruct and authorise the relevant Clearing System, as the case may be, to debit the relevant Securityholder’s account with such Securities on or before the Physical Settlement Date;

- (iii) include an undertaking to pay all Delivery Expenses and, if “Adjustment for Hedging Costs” is specified in the Final Terms and the sub-paragraph 4(i)(A) of Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms applies, Hedging Costs and an authority to debit a specified account of the Securityholder at the relevant Clearing System, as the case may be, in respect thereof and to pay such Delivery Expenses and Hedging Costs (if applicable);
- (iv) specify an account to which any amounts payable pursuant to Condition 9 “Partial Cash Settlement” of the Credit Linked Terms or any other cash amounts specified in the Final Terms as being payable are to be paid; and
- (v) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such Notice.

Upon receipt of an Asset Transfer Notice, the relevant Clearing System or the Paying Agent, as the case may be, shall verify that the person specified therein as the Securityholder is the holder of the specified Outstanding Principal Amount of Securities according to its books.

Failure to complete and deliver an Asset Transfer Notice properly may result in such Notice being treated as null and void. Any determination as to whether such Notice has been properly completed and delivered shall be made by the Clearing System or Paying Agent, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Asset Amount in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as specified in the Final Terms. All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Security shall be for the account of the relevant Securityholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (A) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such Securities or obligations, (B) be under any obligation to exercise or procure exercise of any or all rights attaching to such Securities or obligations, or (C) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such Securities or obligations.

In relation to each Deliverable Obligation constituting the Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Settlement Date, provided that if all or some of the Deliverable Obligations included in the Asset Amount are

- (i) Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall

continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, until the date that is thirty (30) calendar days after the Physical Settlement Date (in respect of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, the “**Final Delivery Date**”); or

- (ii) Undeliverable Loan Obligations or Unassignable Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Loan Obligations or Unassignable Obligations, as the case may be, until the date that is fifteen (15) Business Days after the Physical Settlement Date (in respect of such Undeliverable Loan Obligations or Unassignable Obligations, the “**Final Delivery Date**”),

provided further that:

- (iii) if all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, (but subject to sub-paragraph (iv) below in the case of Assignable Loans or Consent Required Loans) are not Delivered by the Final Delivery Date, the provisions of paragraph 9(i) of Condition 9 “Partial Cash Settlement” of the Credit Linked Terms shall apply; or
- (iv) if all or a portion of the Deliverable Obligations included in the Asset Amount consist of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date, the provisions of paragraph 9(ii) of Condition 9 “Partial Cash Settlement” of the Credit Linked Terms shall apply.

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything set out in Condition 4 “Physical Settlement following a Credit Event” of the Credit Linked Terms above or the foregoing provisions of this specific Condition, if on or before the Physical Settlement Date the Calculation Agent determines that an Auction (in respect of the Reference Entity to which the Credit Event Notice relates) may be published on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect in its sole and absolute discretion to postpone the Physical Settlement Date to any date determined by the Calculation Agent within the period of up to, and including, the date falling sixty (60) Business Days after the Credit Event Determination Date. The Calculation Agent shall give notice of such election (such notice, an “**Auction Notice**”) to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions. If an Auction Notice has been given to the Securityholders and the Calculation Agent determines that

- (i) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Deliverable Obligations; and
- (ii) the date on which the Auction Final Price is, or is expected to be, determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the Credit Event Determination Date,

the Calculation Agent may further elect in its sole and absolute discretion that the Issuer redeems each Denomination of Securities equal to the Calculation Amount either (A) by payment of the Auction Cash Settlement Amount on the Auction Settlement Date in lieu of Delivering the relevant Deliverable Obligations (as specified in the Physical Settlement Notice) or (B) by Delivery of the Deliverable Obligations comprising the Asset Amount (as specified in the Physical Settlement Notice), in either case on the

postponed Physical Settlement Date. The Calculation Agent shall give notice of such election to the Securityholders as soon as possible in accordance with the in accordance with Condition 19 “Notices” of the General Terms & Conditions.

9. Partial Cash Settlement

- (i) If all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations are not Delivered by the Final Delivery Date (other than in respect of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered on that day), the Issuer shall give notice (a “**Cash Settlement Notice**”) to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions and the Issuer shall pay, in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if “Adjustment for Hedging Costs” is specified as applicable in the Final Terms) on the Cash Settlement Date. In the Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligations, as the case may be.

- (ii) If:
 - (A) “Partial Cash Settlement of Consent Required Loans” is specified as applicable in the Final Terms and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an “Undeliverable Loan Obligation”); or

 - (B) “Partial Cash Settlement of Assignable Loans” is specified as applicable in the Final Terms and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Assignable Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an “**Unassignable Obligation**”),

the Issuer shall give notice (a “Cash Settlement Notice”) to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions and the Issuer shall pay, in respect of each Undeliverable Loan Obligation or Unassignable Obligation, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if “Adjustment for Hedging Costs” is specified as applicable in the Final Terms) on the Cash Settlement Date.

For the avoidance of doubt, if neither “Partial Cash Settlement of Consent Required Loans” nor “Partial Cash Settlement of Assignable Loans” is specified as applicable in the Final Terms, and all of the Deliverable Obligations comprising the Asset Amount consist of Undeliverable Loan Obligation or Unassignable Obligation, as the case may be, then the Issuer shall have no further obligation to Deliver any Asset Amount or pay any Cash Settlement Amount in respect of the Securities.

- (iii) If all or any part of the Asset Amount to be Delivered to a Securityholder is not a whole integral multiple of the smallest unit of transfer for any such Deliverable Obligation at the relevant

time of Delivery, as determined by the Calculation Agent, the Issuer will Deliver and such Securityholder will only be entitled to receive the portion of the Asset Amount specified by the Calculation Agent which is closest to but less than the full Asset Amount, after consideration of such smallest unit or units of transfer (such portion of the Asset Amount that is not so Delivered, a “**Delivery Shortfall**”), and the Issuer will pay to such Securityholder in the Settlement Currency at the same time as such Delivery an amount in cash equal to the value of such Delivery Shortfall, as determined by the Calculation Agent.

Unless otherwise specified in the Final Terms, for the purposes of this specific Condition the following terms are deemed to have the following meanings:

“**Cash Settlement Amount**” is deemed to be for each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation, the aggregate of the greater of (A) the Outstanding Principal Amount, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation multiplied by the Final Price with respect to each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation and (B) zero;

“**Cash Settlement Date**” is deemed to be the date falling five (5) Business Days after the calculation of the Final Price;

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation equal to the Quotation Amount, which reflects such Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation based on such factors as such Dealer may consider relevant, which may include historical prices and recovery rates. Indicative Quotations shall be applicable only in the event that the provisions of this specific Condition are applicable;

“**Market Value**” means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation on a Valuation Date,

- (i) if more than three (3) Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (ii) if exactly three (3) Full Quotations are obtained, the Full Quotations remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (iii) if exactly two (2) Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (iv) if fewer than two (2) Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

- (v) if Indicative Quotations are specified as applicable in the Final Terms and exactly three (3) Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded);
- (vi) if fewer than two (2) Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three (3) Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition “Quotation” below, an amount as determined by the Calculation Agent on the next Business Day on which two (2) or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and
- (vii) if the Quotations are deemed to be zero, the Market Value shall be zero;

“**Quotation**” means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applicable in the Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five (5) or more Dealers. If the Calculation Agent is unable to obtain two (2) or more such Full Quotations on the same within three (3) Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth (10th) Business Day following the relevant Valuation Date), the Calculation Agent shall attempt to obtain Full Quotations from five (5) or more Dealers, and, if two (2) or more Full Quotations are not available, a Weighted Average Quotation. If two (2) or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applicable in the Final Terms, the Calculation Agent shall attempt to obtain three (3) Indicative Quotations from five or more Dealers.
- (ii) If the Calculation Agent is unable to obtain two (2) or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applicable in the Final Terms, three (3) Indicative Quotations) on the same Business Day on or prior to the tenth (10th) Business Day following the Valuation Date, the Quotations shall be deemed to be zero.
- (iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price;

“**Quotation Amount**” is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or,

in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation. For the purposes of this specific Condition, there shall be deemed to be no Minimum Quotation Amount;

“**Quotation Method**” is deemed to be Bid;

“**Reference Obligation**” is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation;

“**Valuation Method**” is deemed to be Highest unless the relevant Quotations include Weighted Average Quotations, in which case, “Valuation Method” is deemed to be Market; and

“**Valuation Time**” is deemed to be 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation.

10. Credit Event Notice after Restructuring a Credit Event

If “Partial Redemption Following Restructuring” is specified as applicable in the Final Terms, then, notwithstanding anything to the contrary in the General Terms & Conditions as amended and/or supplemented by the Credit Linked Terms, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (i) The Calculation Agent may deliver a Credit Event Notice in respect of an amount (the “**Partial Redemption Amount**”) that is less than the Outstanding Principal Amount of each Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of these Credit Linked Terms shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount). References in these Credit Linked Terms to “the Calculation Amount” shall be interpreted to mean “the Partial Redemption Amount” accordingly.
- (ii) For the avoidance of doubt (i) the Principal Amount of each such Security not so redeemed in part shall remain outstanding and (in relation to Securities) interest shall accrue on the Outstanding Principal Amount of such Security in accordance with Condition 13 “Interests” of the General Terms & Conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of these Credit Linked Terms shall apply to the Outstanding Principal Amount of such Security in the event that subsequent Credit Event Notices are delivered.
- (iii) If the provisions of this specific Condition apply in respect of the Securities, on redemption of part of each such Security, the relevant Security shall be endorsed to reflect such part redemption.

11. Provisions relating to Multiple Holder Obligation

If “Multiple Holder Obligation” is specified as applicable in the Final Terms, notwithstanding anything to the contrary in the definition of “Restructuring” and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, where “**Multiple Holder Obligation**” means an Obligation that

- (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three (3) holders that are not affiliates of each other; and
- (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six (66) and two-thirds (2/3) is required to consent to the event which constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirements in sub-paragraphs 11(ii) above.

12. Accrual of Interests

In respect of Securities, notwithstanding the provisions of Condition 13 “Interests” of the General Terms & Conditions, if:

- (i) No Accrual of Interest upon Credit Event is specified as being applicable in the Final Terms, each Security shall cease to bear interest from the Interest Period Date (or, if none, the Interest Commencement Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Period Date (or, as the case may be, the Interest Commencement Date) such Interest Period Date (or, as the case may be, the Interest Commencement Date); or
- (ii) Partial Accrual of Interest upon Credit Event is specified as being applicable in the Final Terms, each Security shall continue to bear interest from the Interest Period Date (or, if none, the Interest Commencement Date) immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Period Date (or, as the case may be, the Interest Commencement Date) such Interest Period Date (or, as the case may be, the Interest Commencement Date), but shall cease to bear interest from the Credit Event Determination Date; and
- (iii) The a Default Rate for the Accrual of Interest upon Credit Event is specified as being applicable in the Final Terms, each Security after ceasing to bear interest according to sub-paragraphs 12(i) and 12(ii) above, shall continue to bear (A) the Overnight Rate for deposits in the currency in which the payment is due to be made as determined by the Calculation Agent in its commercially reasonable manner; or (B) such other rate as may be specified for such purposes in the Final Terms. The applicable Default Rate for the Accrual Interest shall be compounded on a daily basis with respect to the overdue sum unless otherwise specified in the Final Terms.

13. Force Majeure

In respect of Securities, notwithstanding the provisions of the General Terms & Conditions, if “Force Majeure Events” is specified as applicable in the Final Terms, the following provisions in this specific Condition shall apply:

- (i) **Notice of Force Majeure Event:** The Issuer shall have the right to give notice at any time to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions if it determines in good faith that any of the following events (each a “**Force Majeure Event**”) has occurred:
 - (A) the performance of the Issuer’s obligations under the Securities has become unlawful in whole or in part as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority (as defined below) or otherwise;
 - (B) the performance of the Issuer’s obligations under the Securities is prevented or materially hindered or delayed due to either (1) any act, law, rule, regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party’s control;
 - (C) it has become impracticable, illegal or impossible for the Issuer or any of its relevant affiliates, or the Issuer or any of its relevant affiliates are otherwise unable, (1) to convert the relevant currency (the “**Local Currency**”) in which the relevant Reference Entity or traded instruments or any options or futures contracts or other hedging arrangement in relation to the Reference Entity (for the purposes of hedging the Issuer’s obligations under the Securities) are denominated, into the Settlement Currency or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the relevant Reference Entity or any options or futures contracts in relation to the Reference Entity are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (2) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;
 - (D) it has become impracticable, illegal or impossible for the Issuer or any of its relevant affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Reference Entity or any options or futures contracts in relation to the Reference Entity in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more Securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer (or any of its affiliates) in order to hedge, either individually or on a portfolio basis, the Securities) or the costs

of so doing would (in the absolute determination of the Calculation Agent) be materially increased under the restriction; or

- (E) any other event beyond the control of the Issuer has occurred which makes it impracticable, illegal or impossible for the Issuer to perform its obligations under the Securities or to hedge effectively its obligations under the Securities or the costs of so doing would (in the absolute determination of the Calculation Agent) be materially increased.
- (ii) **Issuer's Option following a Force Majeure Event:** If the Issuer decides to give notice to Securityholders of the occurrence of a Force Majeure Event pursuant to this specific Condition, it shall state in such notice whether the Securities will be terminated pursuant to paragraph 13(iii) or whether the Issuer's obligations under the Securities will be suspended pursuant to paragraph 13(iv). If the Issuer elects to give notice to Securityholders of a suspension of its obligations under the Securities pursuant to paragraph 13(iv), the Issuer shall nevertheless retain the right at all times to terminate the Securities pursuant to paragraph 13(iii) by giving notice to Securityholders in accordance with Condition 19 "Notices" of the General Terms & Conditions.
- (iii) **Termination:** Upon the Issuer's election to terminate the Securities as aforesaid (or upon expiry of the ten (10) day period referred to in paragraph 13(iv), the Issuer will, in respect of each and every Security cause to be paid to the Securityholder an amount determined to be the fair market value of the Security as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Force Majeure Event) less the cost to the Issuer and/or its affiliates of unwinding any related hedging arrangements (including but not limited to selling or otherwise realising the Reference Entity/Entities or any options or futures contracts in relation to the Reference Entity/Entities or any other such property), all as determined by the Calculation Agent in its sole and absolute discretion. At the election of the Issuer, such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the Securityholder will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction or the relevant Securityholder does not establish the necessary account in the Relevant Jurisdiction to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the Securityholders in accordance with Condition 19 "Notices" of the General Terms & Conditions.
- (iv) **Suspension:** Upon the Issuer's election to suspend the Securities, the Issuer's obligations in respect of the Securities may be suspended up until the tenth day after such Force Majeure Event shall cease to exist.
- (v) **Conclusive Determination:** All determinations made by the Issuer and/or Calculation Agent pursuant to this specific Condition shall be conclusive and binding on the Securityholders and the Issuer. No Securityholder will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Force Majeure Event.

Unless otherwise specified in the Final Terms, for the purposes of this specific Condition the following terms are deemed to have the following meanings:

“Government Authority” means any nation, state or government; any province or other political subdivision thereof; any body, agency or ministry; any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality; and any other entity exercising; executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Relevant Jurisdiction” has the meaning specified in the Final Terms and if it is not specified, it will mean the jurisdiction determined by the Calculation Agent in its sole and absolute discretion.

14. Notices in case of a Credit Event

(a) Notices delivered by the Calculation Agent

The Calculation Agent may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Issuer at any time during either (i) the Notice Delivery Period; or (ii) in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the period set out in sub-paragraph (ii)(A)(2) of the definition “Credit Event Determination Date”, provided that if a Credit Event Determination Date occurs without the giving of notices pursuant to paragraph (ii)(B) of the definition “Credit Event Determination Date”, the Calculation Agent shall not (save as required by paragraph (ii)(B) of the definition “Credit Event Determination Date”) be obliged to give such Credit Event Notice and (if applicable) Notice of Publicly Available Information in order for a Credit Event Determination Date to occur.

(b) Notices in case of Physical Settlement

For the purposes of determining whether such Physical Settlement Notice has been delivered by the Physical Determination Date, the effective date of delivery of the Physical Settlement Notice (whether or not subsequently changed) shall be used. The Securities may not be physically settled until an effective Physical Settlement Notice is delivered by the Issuer.

If a Physical Settlement Notice in respect of the final Credit Event capable of occurring pursuant to any Physically Settled Securities is not delivered on or before the related Physical Determination Date, the Securities will then be redeemed at their Final Redemption Amount.

In the case of a Physically Settled Security (or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred) in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the relevant Physical Settlement Notice must be delivered by the Issuer subject, where applicable, to Condition 15 “Settlement Suspension” of the Credit Linked Terms, on or prior to:

- (i) subject to sub-paragraph 14(b)(ii) below of this specific Condition, the later of:
 - (A) the thirtieth (30th) calendar day (subject to adjustment in accordance with any applicable Business Day Convention) after the Credit Event Determination Date; and

- (B) the tenth (10th) calendar day after either (1) the date of the relevant DC Credit Event Announcement, if any, or (2) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date” if any, as applicable; or
- (ii) if “Physical Settlement” is applicable pursuant to the Fallback Settlement Method and:
- (A) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, neither “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” nor “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms), the thirtieth (30th) calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (B) the relevant Credit Event is a Restructuring and either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as “Applicable” in the Final Terms, either:
 - i. the thirtieth (30th) calendar day after:
 - (1) a No Auction Announcement Date occurring pursuant to sub-paragraph (i) of the definition “No Auction Announcement Date”, if any; or
 - (2) a No Auction Announcement Date occurring pursuant to sub-paragraph (iii) of the definition “No Auction Announcement Date”, if any, in circumstances where no Parallel Auction will be held; or
 - (3) the Auction Cancellation Date, if any,as applicable; or
 - ii. the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:
 - (1) a No Auction Announcement Date occurs pursuant to sub-paragraph (ii) of the definition “No Auction Announcement Date” and the Issuer has not exercised the Movement Option in respect of the Securities; or
 - (2) a No Auction Announcement Date occurs pursuant to sub-paragraph (iii) of the definition “No Auction Announcement Date” in circumstances where one or more Parallel Auctions will be held,

provided that in the case of paragraph 14(b)(i)(B) and paragraph 14(b)(ii) above of this specific Condition, the relevant “Credit Event Resolution Request Date” occurred on or prior to the date described in paragraph 14(b)(i)(A) above of this specific Condition,

the “**Physical Determination Date**”.

(c) Notices in case of Succession Event

The Calculation Agent may deliver a Succession Event Notice at any time, provided that, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, the Calculation Agent shall not be obliged to give such Succession Event Notice in order for a Succession Event to occur, notwithstanding whether or not such Succession Event was determined by DC Resolution of the relevant Credit Derivatives Determinations Committee.

In the case where the Issuer receives a Succession Event Notice by the Calculation Agent, the Issuer will give notice to the Securityholders in accordance with Condition 19 “Notices” of the General Terms & Conditions that a Succession Event has occurred as soon as reasonably practicable after receiving such Succession Event Notice, provided that for the avoidance of doubt, any failure by the Issuer to give such notice shall not affect the validity of the related Succession Event. In the case where a Succession Event occurs as a result of a Succession Event Resolution Request Date occurring, the Issuer shall not be obliged to give or procure the giving of a notice of a Succession Event to the Securityholders.

15. Settlement Suspension

If, in the case of Securities in respect of which the Final Terms specifies that the July 2009 ISDA Credit Derivatives Supplement is applicable, following the determination of a Credit Event Determination Date in accordance with sub-paragraph (i) of the definition “Credit Event Determination Date” but prior to the Physical Settlement Date or, to the extent applicable, a Valuation Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date” are satisfied in accordance with the Rules, the timing requirements of Condition 14(c) “Notices in case of Succession Event” and the definitions of “Cash Settlement Date”, “Valuation Date”, “Settlement Notice”, “Physical Settlement Notice”, “Physical Settlement Period”, and any other Condition as determined by the Calculation Agent in its sole discretion, shall toll and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved

- (i) the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date”, or
- (ii) not to determine such matters.

Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (A) the matters described in sub-paragraphs (i) and (ii) of the definition “Credit Event Resolution Request Date”, or (B) not to determine such matters, the relevant timing requirements of the Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA.

UNDERLYING INSTRUMENT

The Securities, as the case may be, and as specified in the Final Terms, may be linked to the performance of one or a combination of the following Underlying Assets (which we refer to as “**Underlying Asset**”, “**Underlying Instrument**” or simply “**Underlying**”)

- (i) a **Share** (including **ADR / GDR**);
- (ii) an **Index**;
- (iii) a **Foreign Exchange Rate** (including a **Currency Swap Rate**);
- (iv) a **Precious Metal**;
- (v) a **Commodity** (including **Exchange Traded Commodity**);
- (vi) an **Interest Rate** or a **Swap Rate** (including **Currency-, Interest-, Equity-Swap Rate**);
- (vii) a **Non-Equity Security** (including a **bond** and **structured products**);
- (viii) a **Fund Share** (including **Exchange Trade Fund** and **Hedge Funds**);
- (ix) a **Futures** or a **Listed Option Contract**;
- (x) an **Over-The-Counter Derivative Contract**;
- (xi) a **Crypto Currency**;
- (xii) a **Reference Rate**;
- (xiii) a **Reference Entity** (including the related **Reference Obligation**) or derivative transactions concerning a Reference Entity and its Reference Obligation (including the Credit Default Swap “**CDS**”); as well as
- (xiv) a **Basket** or **Portfolio** comprising the aforementioned Underlying Assets.

Unless not explicitly stated in the Final Terms, an index used as Underlying Asset or, as the case may be, a Basket- or Portfolio-Constituent, such index will not be composed by the Issuer, and/or Calculation Agent or a legal entity belonging to Bank J. Safra Sarasin Ltd. In case an Index used as Underlying or, as the case may be, a Basket- or Portfolio-Constituent, is provided by a legal entity acting in association with, or on behalf of, the Issuer, the complete set of rules of the index and information on the performance of the index will be freely accessible on the Index Provider’s webpage or directly upon request by the Issuer.

In case of Securities listed on the SIX Swiss Exchange the Underlying Asset must be one of the Underlying Assets permitted in accordance with Article 13 of the Additional Rules for the Listing of Derivatives (“**ARD**”) of the SIX Exchange Regulation.

The Final Terms will stipulate the relevant Underlying Asset and specify where information about the relevant Underlying Asset can be found as well as whether the Issuer intends to provide further information about the Underlying Asset.

FORM OF FINAL TERMS

The Final Terms must be read in conjunction with the rest of the Basis Prospectus (including any documents incorporated by reference, if any), as supplemented from time to time. Terms & Conditions not otherwise defined herein shall have the meaning given in the Section “**General Terms & Conditions**” and, in case of Credit Linked Notes, the additional General Terms & Conditions for Credit Linked Notes in Section “**Additional General Terms & Conditions for Credit Linked Notes**” set out in the Base Prospectus.

[● NAME OF THE SECURITY]

SUMMARY

[[This Summary is an introduction to the final terms (the “Final Terms” or “this Document”) for the securities referred to herein (hereafter “Security” or “Securities”) and must be read together with the Swiss Base Prospectus (“Base Prospectus”)] *[or specify other [●]]*

[Any investment decision in relation to the Securities should not be made based only on this Summary but on the information contained in the Base Prospectus and these Final Terms.]

[The Securities (as defined below) are financial instruments which do not qualify as units of a collective investment scheme under the Federal Act on Collective Investment Schemes (“CISA”) and are not registered thereunder. Therefore, the Securities are neither governed by the CISA nor supervised by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”). Accordingly, Investors do not have the benefit of the investor protection provided under the CISA and bear the Issuer Risk.][*or specify other [●]*]

[[This Product is collateralised in accordance with the Terms & Conditions of the SIX Swiss Exchange Framework Agreement for the Collateral Secured Instruments (“COSI”). More detailed information regarding the collateralisation can be found in the section: “Information on Collateralisation”.][*or specify other [●]*]

[Strategy Advisor: [●] *(To be deleted if not required to be specified)*]

[[Key Security Information] *[or specify other [●] (To be deleted if not required to be specified) [●]*]

[[Key Offering and Timeline Information] [●] *(To be deleted if not required to be specified)*]

[[●] *(Insert any additional provision)* [●] *(To be deleted if not required to be specified)*]

I – PRODUCT DESCRIPTION

[Description of the of the Security] [●] *(To be deleted if not required to be specified)*

Security main data

Issuer [Bank J. Safra Sarasin Ltd, [Guernsey Branch] [Basel] [(Rating S&P: A/A-1 & Moody's: not rated)] *[or specify other [●]*]

[Guarantor] [●] *(To be deleted if not required to be specified)*

[COSI Collateral Provider]	[•] <i>(To be deleted if not required to be specified)</i>
[Lead Manager]	[[Bank J. Safra Sarasin Ltd, [Basel] [<i>or specify other</i> /•]] <i>(To be deleted if not required to be specified)</i>
[[CH Valor][/ ISIN][/ WKN][/ •]	[•] <i>(To be deleted if not required to be specified)</i>
[[Security][Principal] Currency]	[•] <i>(To be deleted if not required to be specified)</i>
[Alternative Currency]	[•] <i>(To be deleted if not required to be specified)</i>
[Denomination]	[•] <i>(To be deleted if not required to be specified)</i>
[Issue Price]	[•] <i>(To be deleted if not required to be specified)</i>
[Net Proceeds]	[•] <i>(To be deleted if not required to be specified)</i>
[[Minimum [Investment][Subscription] Amount] [<i>or specify other</i> /•]]	[•] <i>(To be deleted if not required to be specified)</i>
[[Maximum [Investment][Subscription] Amount] [<i>or specify other</i> /•]]	[•] <i>(To be deleted if not required to be specified)</i>
[Listing [/ Exchange Symbol]	[[Not applicable][SIX Swiss Exchange / [•]] [<i>or specify other</i> /•]] <i>(To be deleted if not required to be specified)</i>
[SSPA-Name (Code)]	[•] <i>(To be deleted if not required to be specified)</i>
[[Issue Size][[Aggregate] Notional Amount][<i>or specify other</i> /•]]	[•] <i>(To be deleted if not required to be specified)</i>
[[•] <i>(Insert any additional provision)</i>	[•] <i>(To be deleted if not required to be specified)</i>

Time table

[Subscription Period]	[[•] [The Issuer reserves the right for any reason to close the [Subscription Period] early.] [If the aggregate subscription of the [Security] at any time on any business day prior to [•] reaches [•], the Issuer will close the subscription of the Notes at such time on such business day, without any prior notification.] [<i>or specify other</i> /•]] <i>(To be deleted if not required to be specified)</i>
[Issuance Cancellation]	[[The Issuer reserves the right for any reason to cancel the issuance of the Security.] [In particular, the issuance of the Security is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Notes amounting to an aggregate subscription value of at least [•] on or prior to [•]. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Notes as of [•].] [<i>or specify other</i> /•]] <i>(To be deleted if not required to be specified)</i>
[[Initial] [Fixing][Valuation] Date]	[•] <i>(To be deleted if not required to be specified)</i>
[Trade Date]	[•] <i>(To be deleted if not required to be specified)</i>
[[Initial] Payment Date]	[•] <i>(To be deleted if not required to be specified)</i>

[Issue Date	[•] (To be deleted if not required to be specified)]
[Interest Commencement Date	[•] (To be deleted if not required to be specified)]
[[Final] [Fixing][Valuation][Determination] Date[*]	[•] (To be deleted if not required to be specified)]
[[Final] [Redemption][Repayment][Settlement][Maturity] Date[*]	[•] (To be deleted if not required to be specified)]
[First Trading Date [/ Time][/ Provisional Trading amission]	[•] (To be deleted if not required to be specified)]
[Last Trading Date [/Time] [*]	[•] (To be deleted if not required to be specified)]
[[•] (Insert any additional provision)	[•] (To be deleted if not required to be specified)]
<i>[Underlying [Instrument]][Asset]</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[Name ([[ISIN] [/ Valor][/ [•]])]	[•] (To be deleted if not required to be specified)]
[[Reuters Ric][Bloomberg Ticker][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[[Reference Exchange][Index Sponsor] [or specify other [•]]	[•] (To be deleted if not required to be specified)]
[[Currency][points][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Initial [Spot][Price][Value][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Strike [Price][Rate][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Cap [Level][Rate][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Autocall [Level][Trigger][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Coupon [Level][Trigger][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Barrier [Level][Rate][or specify other [•]]	[•] (To be deleted if not required to be specified)]
[Ratio	[•] (To be deleted if not required to be specified)]
[Initial FX Exchange Rate	[[•] (The Security Denomination corresponds to the Initial Price of the Underlying [Instrument] converted into [•] according to the Initial Exchange Rate, as determined by the Calculation Agent)] [The Security is exposed to the exchange rate risk resulting from the discrepancy between the currencies of the Underlying Instrument and the Security currency.] [or specify other [•]]] <i>(To be deleted if not required to be specified)</i>
[Investment Universe	[[The following universe is eligible for investments in the Reference Portfolio: [•]] [or specify other [•]]] <i>(To be deleted if not required to be specified)</i>
[Investment Guidelines	[[The Underlying is actively managed by the Strategy Advisor (cf. “Strategy Advisor”) according to the following Investment guidelines: [•]] [or specify other [•]]] [Further information on the investment strategy can be obtained free of charge by the Issuer[•]] <i>(To be deleted if not required to be specified)</i>

[Dynamic Component]	<p>[[During the Security's term (from the Initial Payment Date to the Last Trading Date included) and according to the defined Investment Universe and the Investment Guidelines, the Strategy Advisor may request a rebalancing of the Underlying.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Rebalancing Transactions]	<p>[[Any purchase or sale linked to a specific constituent, which results in a change of the number of constituents, a change of the composition as well as a modification of the current weighting of the constituents contained in the Reference Portfolio.] [For the avoidance of doubt, transactions executed on the Initial Fixing Date are considered Rebalancing Transactions.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Cash Position]	<p>[[Cash positions cannot be withdrawn from the Security.] [No positive interest is paid on the cash position[, nevertheless, negative interest rates may apply, depending on prevailing financing conditions as determined by the Calculation Agent].] [Interest rate, if applicable, is [● daily] accrued and/or charged to the Cash Position.] [The interest rate paid on the long cash positions is the [● 1-month] [● money market reference rate] (or any short-tenor successor thereof) [plus an internal financing spread] which is determined by the Calculation agent and subject to change].] [Negative interest rates may apply, depending on prevailing financing conditions as determined by the Calculation agent.] [The interest rate charged on short cash positions is the [● 1-month] [● money market reference rate] (or any short-tenor successor thereof) [plus an internal financing spread] which is determined by the Calculation agent and subject to change].] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Publication of updated [Reference Portfolio] [●]]	<p>[[Upon request and free of charge, the Calculation agent will provide to the investors with an updated composition of the Reference Portfolio.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[[●] <i>(Insert any additional provision)</i>]	<p>[●] <i>(To be deleted if not required to be specified)</i></p>

Security details

[Discount]	[●] <i>(To be deleted if not required to be specified)</i>
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[Participation [Rate]	[•] <i>(To be deleted if not required to be specified)</i>
[[Capital Protection][minimal Redemption Amount][<i>or specify other [•]</i>]	[•] <i>(To be deleted if not required to be specified)</i>
[Maximum Redemption [Amount]	[•] <i>(To be deleted if not required to be specified)</i>
[Maximum [Return][<i>or specify other [•]</i>]	[•] <i>(To be deleted if not required to be specified)</i>
[Rebate [Amount]	[•] <i>(To be deleted if not required to be specified)</i>
[Bonus [Amount]	[•] <i>(To be deleted if not required to be specified)</i>
[Barrier Type	[[Knock-[In][Out] Barrier ([Down][Up] & [In][Out]) ([American][European][Discrete][<i>or specify other [•]</i>], [continuous observation][[daily] observation based on the Reference Price)] [<i>or specify other [•]</i>]] <i>(To be deleted if not required to be specified)</i>
[Knock-[In][Out] Event	[[The Knock-[In][Out] Event shall be deemed to have occurred when the [price][Reference Price] of [the][at least one] Underlying Instrument on [a][the] Knock-In Determination Day during the Knock-[In][Out] Valuation Time [traded][is] [at or below] [its][the] Barrier Level, as determined by the Calculation Agent.] [<i>or specify other [•]</i>]] <i>(To be deleted if not required to be specified)</i>
[Knock-[In][Out] Determination Day	[[Each scheduled [Trading][Business][Calendar] day [on the relevant Reference Exchange][starting] from the Initial Fixing Date [(included)][(excluded)] to the Final Fixing Date [(included)][(excluded)].] [The Final Fixing Date, if such date [the Reference Price is not available] [is not a scheduled trading day] [on [the][all] relevant Reference Exchange[s], the next following [day will apply.][Scheduled day which is a trading day [on [the][all] relevant Reference Exchange[s]] which is a trading day.] [<i>or specify other [•]</i>]] <i>(To be deleted if not required to be specified)</i>
[Knock-[In][Out] Valuation Time	[[Any time during the regular trading market hours of the relevant Reference Exchange, as determined by the Calculation Agent.] [The time when the Reference Price has been determined [in the spot market for foreign exchange transactions] [or if the relevant Reference Exchange closes prior to the scheduled closing time, the actual closing time for its regular trading session].] [<i>or specify other [•]</i>]] <i>(To be deleted if not required to be specified)</i>
[[Reference Price][<i>or specify other [•]</i>]	[[The [official] [closing] [end-of-day] [valuation] price of the [corresponding] Underlying Instrument [(Basket)] [on the relevant Reference Exchange] [as

	<p>published by the index provider [as determined by the Calculation Agent].]</p> <p>[The FX spot rate of the [corresponding] Underlying Instrument expressed as the amount of [● USD][quoted currency (second currency of the FX pair)] per [● 1] unit of [● CHF] [base currency of the FX pair] at approximately [● 4:00PM] time, as reasonably determined by the Calculation Agent.]</p> <p>[or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Return]	<p>[[Basis for the Return calculation of the Underlying Instrument is the [● Reference Price] on the Final Fixing Date minus the [● Strike price] and the result divided by the [● Initial Price] (under reserve of possible adjustments), as determined by the Calculation Agent.] [or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[[Business Day][Payment Financial Centre][or specify other [●]]	<p>[[Any day where commercial banks in [Zurich (Switzerland)]] [●] are open for business and cash settlements of the relevant currency are processed.]</p> <p>[or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[[Payment][Business Day Convention][or specify other [●]]	<p>[[[Modified] Following Business Day Convention applies. If any of the defined payment dates is not a Business Day, the next following Business Day will apply [unless that day falls on the next calendar month, in which case that payment date will be the first preceding day that is a Business Day].] [or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[[●] <i>(Insert any additional provision)</i>	<p>[●] <i>(To be deleted if not required to be specified)</i></p>
Security details <i>(continued - Income related provisions)</i>	<p><i>(if not applicable, the entire section has to be deleted)</i></p>
[[Coupon][Interest] [Type][Basis]	<p>[[Guaranteed][Conditional [Recovery]] [Coupon] [with] [Fixed Rate] [Floating Rate] [Zero Coupon] [Non-Interest bearing]] [or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[[Total] [Coupon][Interest] [Rate]	<p>[[●]% [per annum] [payable [annually] [semi-annually] [quarterly] [monthly] [[in arrear] [in advance]]] [or specify other [●]]</p> <p>[[[Factor Multiplier] [multiplied with the]] [Reference Rate] [plus] [Margin]] [subject to the [Minimum] [and the] [Maximum] Rate of Interest] [or specify other [●]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Reference Rate]	<p>[[Floating Rate Option: [●]]</p> <p>[Designated Maturity: [●]]</p>

	[Reset Date: [●]] [or specify other [●]] (To be deleted if not required to be specified)
[[Factor Multiplier][or specify other [●]] [Margin]	[●] (To be deleted if not required to be specified) [[+][-] [●]%. [p.a.]] [or specify other [●]] (To be deleted if not required to be specified)
[Minimum [Coupon][Interest] [Rate]	[●] (To be deleted if not required to be specified)
[Maximum [Coupon][Interest] [Rate]	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] Calculation Periods	[●] (To be deleted if not required to be specified)
[Determination of Reference Rate	[[● Second] [● London] Business Day [of the Relevant Financial Centre] prior to the start of each Interest Period] [on the Relevant Screen Page] [or specify other [●]] [[Relevant Financial Centre: [[London] [Brussels] [Stockholm] [Hong Kong] [Singapore] [Tokyo]] [or specify other [●]]] [[Relevant Screen Page: [●] on the specified Time: [●]][or specify other [●]] (To be deleted if not required to be specified)
[[Coupon][Interest] Payments] [and] [Coupon][Interest] [Payment Dates][or specify other [●]]	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] Payment Dates	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] Decomposition	[[The Coupon of [●]% [[[●] p.a.]] is divided into: a) [●]% ([●] [●], [●] p.a.) fixed-interest-bearing component and, b) [●]% ([●][●], [●] p.a.) option premium component.] [or specify other [●]] (To be deleted if not required to be specified)
[Conditional [Coupon][Interest] Payments	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] [Observation] [Determination] Date	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] Level [(% of the Initial Spot)][or specify other [●]]	[●] (To be deleted if not required to be specified)
[[Coupon][Interest] Calculation Period	[[The individual periods for the calculation of interest start on Initial Payment Date [(included)][(excluded)] and end on the Coupon Payment Date [(excluded)][(included)].] [or specify other [●]] (To be deleted if not required to be specified)
[[Coupon][Interest] Day Count [Convention][Fraction]	[[Actual/Actual] [30/360] [360/360] [30E/360] days] [or specify other [●]] (To be deleted if not required to be specified)
[[Coupon][Interest] Accrual Interest	[[Accruing during each Coupon Calculation Period according to the Coupon Day Count Convention. The Coupon Accrual Interest is the compensation for

	accrued but not yet payable interest that the buyer of the Security on the Secondary Market has to pay to the seller.][<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[[Coupon][Interest] [Ex-Date][<i>or specify other [●]</i>]	[[● Two] [Business][Calendar][trading] Days before the next Coupon Payment Date. Executed buy and sell orders on the Coupon Ex-Date do not contain any Coupon Accrual interest and buy orders executed on the Coupon Ex-Date are not entitled for the next following Coupon Payment.] [<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[Underlying Income Treatment	[[None][Distributing][Accumulating] [Net cash distributions, if any, based on the Constituents of the [Basket] constituents [of the Reference Portfolio] during the Security’s term (e.g., net income deducting any possible withholding taxes and fees, net coupons, net dividends, net capital repayments, and net par value repayments), [are already included in the Issue price][will be credited to the Cash Position (cf. “Cash position”), potentially re-invested and subsequently distributed on a periodical basis (cf. “Payout Dates” and “Payout Amount”)][will be accumulated and credited to the Cash position (cf. “Cash position”) and potentially used at the next rebalancing.][See also “Information on other taxes” and “Section 871(m) consideration”.] [<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[Payout Dates	[●] (<i>To be deleted if not required to be specified</i>)
[Payout Amount	[●] (<i>To be deleted if not required to be specified</i>)
[[●] (<i>Insert any additional provision</i>)	[●] (<i>To be deleted if not required to be specified</i>)
<i>Security details (continued - Early Redemption provisions)</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[[Amortizing [Clause][Feature] [<i>or specify other [●]</i>]	[Applicable][Not Applicable] [●] (<i>Insert details</i>) (<i>To be deleted if not required to be specified</i>)
[[Puttable [and] [Callable] Right	[Applicable] [Not Applicable] [<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[Investor Puttable Right	[[Applicable] [Not Applicable] [- Optional Redemption Notice Period : [●]] [- Optional Redemption Date(s): [●]] [- Optional Redemption Amount(s) and method: [●]] [<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[Partial [Early] Redemption	[[Applicable] [Not Applicable] [- Minimum Redemption Amount: [●]] [- Maximum Redemption Amount: [●]]

	<p>[- Insert any additional conditions [●]] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[[Issuer [Termination][Call] Right [or specify other [●]]	<p>[[The Issuer has an unconditional right to call on each [Exercise] Date and early terminate all the outstanding Securities by previous notification (the “Early Redemption Notice”). In such case investors will receive the Early Redemption Amount (according to the conditions set out under “Redemption Amount”) on the Early Redemption Date, and the Security will be terminated.] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Early Redemption Notice [Period]	<p>[[At least] [● 1] [Business][Calendar][trading] Day before the respective [● Exercise] Date.] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Exercise Date	<p>[[Every] [Business][Calendar][trading] Day starting as of Initial Payment Date.] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Early Redemption Date	<p>[[5] [Business][Calendar][trading] Days after the corresponding Exercise Date.] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[[●] <i>(Insert any additional provision)</i>	<p>[●] <i>(To be deleted if not required to be specified)</i></p>
Security details <i>(continued - Credit Linked provisions)</i>	<p><i>(if not applicable, the entire section has to be deleted)</i></p>
[Credit Linked Type	<p>[[Single Name CLNs] [Nth-to-Default CLNs] [Linear Basket CLNs] [Tranched Portfolio CLNs] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Credit Reference Period	<p>[[Credit Observation Start Date: [●] Credit Observation End Date: [●] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Succession Event Backstop Date	<p>[[Not Applicable][Not] Subject to adjustment for non-Business Days in accordance with the Business Day Convention] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>
[Reference Entity[ies]	<p>[[●] [Each Reference Entity contained in the Index and listed in the Annex [●] to the Final Terms below] [As set out in the Relevant Annex [●] to the Final Terms below] [relevant ISDA Transaction Type: [●]] [or specify other [●]] <i>(To be deleted if not required to be specified)</i></p>

[Reference Obligation]	<p>[[●] [As specified in the Relevant Annex [●] to the Final Terms below: [●]]</p> <p>[- Primary Obligor: [●]]</p> <p>[- Guarantor: [●]]</p> <p>[- Maturity: [●]]</p> <p>[- Coupon: [●]]</p> <p>[- ISIN [/ [●]]:[●]]</p> <p><i>[or specify other [●]]</i></p> <p><i>(To be deleted if not required to be specified)</i></p>
[Provisions relating to Monoline Insurer as Reference Entity]	<p>[applicable] [not Applicable] <i>[or specify other [●]]</i></p> <p><i>(To be deleted if not required to be specified)</i></p>
[[Reference] Obligation Category]	<p>[[As set out in the Settlement Matrix for the Transaction Type] [In respect of each Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type]</p> <p>[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]</p> <p><i>[or specify other [●]]</i></p> <p><i>(To be deleted if not required to be specified)</i></p>
[Obligation Characteristics]	<p>[[As set out in the Settlement Matrix for the Transaction Type] [In respect of each Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type]</p> <p>[Not Subordinated] [Subordinated] <i>[or specify other [●]]</i></p> <p>[Credit Linked Currency: [●]]</p> <p>[Standard Currencies: [●]]</p> <p>[Not Sovereign Lender]</p> <p>[Not Domestic Currency: [●]]</p> <p>[Domestic Currency means: [●]]</p> <p>[Not Domestic Law]</p> <p>[Domestic Law means : [●]]</p> <p>[Listed]</p> <p>[Not Domestic Issuance]</p> <p><i>[or specify other [●]]</i></p> <p><i>(To be deleted if not required to be specified)</i></p>
[Additional Obligation(s)]	<p>[●] <i>(To be deleted if not required to be specified)</i></p>
[Excluded Obligation(s)]	<p>[●] <i>(To be deleted if not required to be specified)</i></p>
[All Guarantees]	<p>[[Not Applicable] [As set forth in the Settlement Matrix for the Transaction Type] [In respect of each</p>

	<p>Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type] [<i>or specify other [●]</i>]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Credit Events	<p>[[As set forth in the Settlement Matrix for the Transaction Type] [In respect of each Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type] [<i>or specify other [●]</i>]</p> <p>[- Bankruptcy]</p> <p>[- Failure to Pay]</p> <p>[- Payment Requirement: [●]]</p> <p>[Grace Period Extension [applicable][not applicable] with:</p> <p>[- Grace Period: [●]]</p> <p>[- Obligation Default]</p> <p>[- Obligation Acceleration]</p> <p>[- Repudiation/Moratorium]</p> <p>[<i>or specify other [●]</i>]</p> <p>[[Repudiation/Moratorium Extension Condition – delivery of Notice of Publicly Available Information] [Applicable] [Not Applicable] [<i>or specify other [●]</i>]</p> <p>[[Restructuring]</p> <p>Default Requirement: [●]</p> <p>[- Provisions relating to Credit Event Notice after Restructuring Credit Event: Condition 10 of the General Credit Linked Terms & Conditions [applicable] [not Applicable]]</p> <p>[- Provisions relating to Multiple Holder Obligation: Condition 11 of the General Credit Linked Terms & Conditions [applicable] [not Applicable]]</p> <p>[- Restructuring Maturity Limitation and Fully Transferable Obligation [applicable] [not applicable]]</p> <p>[- Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [applicable] [not applicable]]</p> <p>[<i>or specify other [●]</i>]</p> <p>[<i>or specify other [●]</i>]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Conditions to Settlement	<p>[[Notice of Publicly Available Information [applicable] [not applicable] [with [Public Source(s): [●]][Specified Number: [●]][Notice Delivery Period: [[●] Business Days][Credit Cut-Off Date: [●]] [<i>or specify other [●]</i>]]</p> <p><i>(To be deleted if not required to be specified)</i></p>

[Redemption following a Merger Event]	[[Condition 9 of the General Credit Linked Terms & Conditions [applicable] [not applicable]] [with [Merger Event Redemption Amount: [●]] [Merger Event Redemption Date: [●]] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Unwind Costs]	[[Standard Unwind Costs] [applicable] [not Applicable]] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>
[Settlement Method]	[[Cash] [and] [or] [Physical] Settlement] [Auction Settlement] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>
[Fallback Settlement Method]	[[Cash] [and] [or] [Physical] Settlement] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>
[Credit Event Redemption Amount]	[[●] per Calculation Amount] [According to Condition 3 of the General Credit Linked Terms & Conditions] [Not Applicable] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>
[Credit Event Redemption Date]	[[Not Applicable] [[●] Business Days] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Valuation Date]	[[Single Valuation Date: [●] Business Days] [Multiple Valuation Dates: [●] Business Days; and each [●] Business Days thereafter] [Number of Valuation Dates: [●]] [Single Valuation Date, provided that the "Valuation Date" in respect of any Reference Obligation of a Reference Entity, shall be any Business Day falling on or before the 365 th calendar day after the Event Determination Date or (following any Auction Cancellation Date or No Auction Announcement Date) after such Auction Cancellation Date or No Auction Announcement Date (as selected by the Calculation Agent in its sole discretion)] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>
[Valuation Time]	[●] <i>(To be deleted if not required to be specified)</i>
[Quotation Method]	[[Bid] [Offer] [Mid-market] [According to the General Credit Linked Terms & Conditions] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Quotation Amount]	[[●] [Representative Amount] [In respect of each obligation, an amount determined by the Calculation Agent in its sole and absolute discretion] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>

[Minimum Quotation Amount]	[[●] [According to the General Credit Linked Terms & Conditions]] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Quotation Dealers]	[[●] [According to the General Credit Linked Terms & Conditions]] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Quotations]	[[Include] [Exclude] Accrued Interest] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Valuation Method]	[[Market Highest] [Average Market] [Highest] [Average Highest] [Blended Market] [Blended Highest] [Average Blended Market] [Average Blended Highest] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Provisions relating to Deliverable Obligations Portfolio Valuation]	[[Condition 14 of the General Credit Linked Terms & Conditions [applicable] [not Applicable] [with Benchmark Obligation: [Reference Obligation] [Other]]] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Auction Settlement Amount]	[●] <i>(To be deleted if not required to be specified)</i>
[Auction Settlement Date]	[[●] Business Days] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Physical Settlement Period]	[[●] Business Days] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Accrued Interest on Entitlement]	[[Include] [Exclude] Accrued Interest] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Physical Settlement Currency]	[●] <i>(To be deleted if not required to be specified)</i>
[Deliverable Obligation Category]	[[As set out in the Settlement Matrix for the Transaction Type] [In respect of each Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan] [<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i>
[Deliverable Obligation Characteristics]	[[As set out in the Settlement Matrix for the Transaction Type] [In respect of each Reference Entity, as set out in the Settlement Matrix for the relevant Transaction Type] [- Credit Linked Currency: [●]] [- Standard Currencies: [●]]

	[Not Sovereign Lender]
	[Not Domestic Currency: [●]]
	[Domestic Currency means: [●]]
	[Not Domestic Law]
	[Domestic Law means: [●]]
	[Listed]
	[Not Contingent]
	[Not Domestic Issuance]
	[Assignable Loan]
	[Consent Required Loan]
	[Direct Loan Participation]
	[<i>or specify other [●]</i>]
	<i>(To be deleted if not required to be specified)</i>
[Additional Deliverable Obligation(s)]	[●] <i>(To be deleted if not required to be specified)</i>
[Excluded Deliverable Obligation(s)]	[●] <i>(To be deleted if not required to be specified)</i>
[Indicative Quotations]	[[Applicable] [Not Applicable] [<i>or specify other [●]</i>]] <i>(To be deleted if not required to be specified)</i>
[Credit Cut-Off Date]	[●] <i>(To be deleted if not required to be specified)</i>
[Guaranteed Cash Settlement Amount]	[[According to Condition 3 of the General Credit Linked Terms & Conditions] [<i>or specify other [●]</i>]] <i>(To be deleted if not required to be specified)</i>
[Delivery provisions for Entitlement in case of further Physical Delivery Conditions]	[●] <i>(To be deleted if not required to be specified)</i>
[Additional Disruption Events]	[[Change in Law: [Applicable] [Not Applicable]] [Hedging Disruption: [Applicable] [Not Applicable]] [Increased Cost of Hedging: [Applicable] [Not Applicable]] [<i>or specify other [●]</i>]] <i>(To be deleted if not required to be specified)</i>
[N <i>(in case of Nth-to-Default feature)</i>]	[●] <i>(To be deleted if not required to be specified)</i>
[Substitution]	[Applicable] [Not Applicable] [<i>or specify other [●]</i>]] <i>(To be deleted if not required to be specified)</i>
[Credit Spread Requirement]	[●] <i>(To be deleted if not required to be specified)</i>
[Tranched [index] Portfolio <i>(in case of Tranche Portfolio feature)</i>]	[[<i>"Final Redemption Amount"</i> means a pro rata amount per Calculation Amount, of the Outstanding Principal Amount on the Final Redemption Date (which may be zero).] [Interest Calculation Method: [Not Applicable] [Weighted]]
	[The list for the [index] [single] names specified below [●], as published by the [Index Publisher][●] (which can currently be accessed at [●])]

	[Index: [●] [Index Sponsor: [●] (or any successor index sponsor thereto). Index Publisher: [●] or any replacement therefore appointed by the Index Sponsor for the purposes of officially publishing the Relevant Index]
	[Additional requirements where relevant Annex [● I] to the Final Terms below references [●] [Not Applicable] [Applicable]]
	[or specify other [●]] (To be deleted if not required to be specified)
[Attachment Point	[●] (To be deleted if not required to be specified)]
[Exhaustion Point	[●] (To be deleted if not required to be specified)]
[Linear Basket (in case of Linear Basket feature)	[Applicable]
	[Reference Entity Nominal Amount: [●]]
	[The list for the [index] [single] names specified below [●], as published by the [Index Publisher][●] (which can currently be accessed at [●])]
	[Index: [●] [Index Sponsor: [●] (or any successor index sponsor thereto). Index Publisher: [●] or any replacement therefore appointed by the Index Sponsor for the purposes of officially publishing the Relevant Index]
	[Additional requirements where relevant Annex [● I] to the Final Terms below references [●] [Not Applicable] [Applicable]]
	[or specify other [●]] (To be deleted if not required to be specified)
[[●] (Insert any additional provision)	[●] (To be deleted if not required to be specified)]
<i>[Redemption profile</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[Settlement Type	[[Cash settlement] [or][physical delivery] (see provision “Final Redemption Amount”)] [The decision to exercise and redeem the Security [in the Alternative Currency] is always at the Calculation Agent’s sole discretion.] [or specify other [●]] (To be deleted if not required to be specified)
[[Automatic] Early Redemption	[[Applicable] [Not Applicable] [or specify other [●]] (To be deleted if not required to be specified)]
[[Automatic] Early Redemption [Event]	[[Scenario 1: If the Reference Price of [at least one of]

the Underlying Instrument on an Observation Date (T) is [at or] [below][above] its Autocall Level as determined by the Calculation Agent, the Security will not be early redeemed.]

[Scenario 2: If on an Observation Date (T) the Reference Price of [all] [the] Underlying Instrument [are] [is] [at or] [above][below] [its] [their] Autocall Level[s] as determined by the Calculation Agent, the Security will be automatically early redeemed on the corresponding Redemption Date. The corresponding Early Redemption Amount will be determined according to the following information.]

[On every Observation Date (T) the Issuer has the right, but not the obligation, to redeem in its sole discretion the Security on the corresponding Early Redemption Date with the corresponding Early Redemption Amount according to the following information.] [or specify other [●]]

(To be deleted if not required to be specified)

[[Automatic] [Early Redemption] Observation Date [or specify other [●]]

[●] *(To be deleted if not required to be specified)*

[[Automatic] [Early Redemption] Redemption Date [or specify other [●]]

[●] *(To be deleted if not required to be specified)*

[[Autocall Level][(% of the Initial Spot)] [or specify other [●]]

[●] *(To be deleted if not required to be specified)*

[[Automatic] [Early Redemption] Redemption Amount [or specify other [●]]

[●] *(To be deleted if not required to be specified)*

[[Final] Redemption Amount [(at the Final Redemption Date)][or specify other [●]]

[●] *(To be deleted if not required to be specified)*

[[●] *(Insert any additional provision)*

[●] *(To be deleted if not required to be specified)*

[Costs and Commissions

(if not applicable, the entire section has to be deleted)

[Important Notice

[[In connection with this Security one time (upfront-) remuneration such as distribution fees, brokerage fees or other commissions and/or recurring remunerations may be paid or received, as well as rebates on the Issue price may be granted, which shall accrue in full to the recipient irrespective of whether the commissions are shared out between third parties or affiliated companies of the Bank J. Safra Sarasin Group. In particular, the Issue price may also include commissions for the issue and distribution of this Security as well as costs for the structuring and securitization of the Security and for hedging liabilities in connection with the Security.] [or specify other [●]]
(To be deleted if not required to be specified)

[Underwriting/Placement Fee	[[Not Applicable] [[• %] [[(• % p.a.)]] <i>[or specify other /•]]</i> <i>(To be deleted if not required to be specified)</i>
[Issue Price Premium	[[Not Applicable] [[• %] [[(• % p.a.)]] <i>[or specify other /•]]</i> <i>(To be deleted if not required to be specified)</i>
[Distribution Fee	[[Not Applicable] [[• %] [[(• % p.a.)]] <i>[or specify other /•]]</i> [The Distribution fee is split [• %] for the Lead Manager and [• %] for the [Lead] Distributor] <i>[or specify other /•]]</i> <i>(To be deleted if not required to be specified)</i>
[Management Fee	[•] <i>(To be deleted if not required to be specified)</i>
[Performance Fee	[•] <i>(To be deleted if not required to be specified)</i>
[Rebalancing Fee	[•] <i>(To be deleted if not required to be specified)</i>
[Execution Costs	[[External Execution Costs such as stock exchange, brokerage fees, and taxes are not included in the Rebalancing Fees and will be offset against the execution prices.] <i>[or specify other /•]]</i> <i>(To be deleted if not required to be specified)</i>
[[•] <i>(Insert any additional provision)</i>	[•] <i>(To be deleted if not required to be specified)</i>
<i>[Secondary trading</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[Listing	[[Not applicable][Application will be made to list the Security on the trading platform SIX Swiss Exchange in accordance with the listing regulation of the SIX Swiss Exchange Ltd. The provisional admission for the First Trading Day shall be at [•] <i>[or specify other /•]]</i> <i>(To be deleted if not required to be specified)</i>
[Secondary Market	[[Investors should be prepared to hold the Security until the Redemption Date as they may not be able to partially or entirely liquidate the Security, or are only able to realize an execution amount that is significantly below the initially invested capital.] [The Security is not a liquid instrument and is not equivalent to a bank deposit or cash. The Issuer [and the Lead Manager] do[es] NOT intend to provide an active secondary market for the Security and the investor should be prepared to hold the Security until the Final Redemption Date.] [Under normal market conditions the Issuer [and/or the Lead Manager (as the case may be)] [may agree to provide, upon request of the investor, a best-effort bid price for the Security. However, neither the Issuer nor the Lead Manager nor any of its affiliates is under any legal obligation to provide tradable prices][intend[s] to provide on every Business Day [bid and

ask] valuation prices [with a [bid/ask spread of [● 1.00]%. [The [bid and ask] valuation prices are determined by the Issuer [and/or the Lead Manager] in its sole and absolute discretion.]

[However, [neither] the Issuer [nor the Lead Manager] [nor any of its affiliates] is under any legal obligation to provide tradable prices for the Security.]

[In addition, there is no firm commitment to provide liquidity by means of [bid and ask] valuation prices in the Security and there is also no legal obligation to quote any such prices or to disclose their determination. Investors should be prepared to hold the Security until the Redemption Date as they may not be able to partially or entirely liquidate the Security, or are only able to realize an execution amount that is significantly below the initially invested capital.]

[or specify other [●]]

(To be deleted if not required to be specified)

[Market Disruption Event

[[A Market Disruption Event occurs if[, on a scheduled Trading Day,] the Lead Manager [cannot execute] trade orders of one or more constituents in the Reference Portfolio.] [In the event that the Lead Manager determines a Market Disruption, the execution of a secondary market order is postponed to the next following trading day.]

[The execution of the secondary transaction will then be completed and the execution levels, as determined by the Calculation agent, communicated subsequently.]

[or specify other [●]]

(To be deleted if not required to be specified)

[Trading Days

[[Each Business Day between [● 09:15 and 17:15] hours [● CET] [on which the Reference Exchange of the Underlying Instruments] [and the trading platform SIX Swiss Exchange] are open for regular trading.] *[or specify other [●]]*

[- First Trading Day: [●]]

[- Last Trading Day: [●] until [●] hours [and subject to the Early Redemption occurrence (see provision “Early Redemption”).]]

[or specify other [●]]

(To be deleted if not required to be specified)

[Minimum Trading Lot

[[●][Security][Securities] [(corresponds to [● 1] [Security][Securities])]]

(To be deleted if not required to be specified)

[Secondary Market Settlement

[[● 2] [Business][Calender][Trading] Days after the trade date.][*or specify other [●]]*

	<i>(To be deleted if not required to be specified)</i>
[Price Quotation]	[[Valuation prices are stated in [percent] UnitPrice][absolute Value] [and do [not] contain any Coupon Accrual Interest] [[Dirty][Clean][Flat Pricing]] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Indicative Price Quotation]	[[Refinitiv (Reuters) RIC: [●]] [Bloomberg: [●] <GO>] [SIX Financial Information (Telekurs): [●]] [Webpage: [●]] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[[●] <i>(Insert any additional provision)</i>]	[●] <i>(To be deleted if not required to be specified)</i>

Involved parties

[Issuer]	[[Bank J. Safra Sarasin Ltd, [Guernsey Branch] [Basel] [(Rating S&P: A/A-1 & Moody's: not rated)] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Guarantor]	[●] <i>(To be deleted if not required to be specified)</i>
[COSI Collateral Provider]	[●] <i>(To be deleted if not required to be specified)</i>
[Lead Manager]	[[Bank J. Safra Sarasin Ltd, [Basel] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[[Lead] Distributor]	[[Exclusively by] [Bank J. Safra Sarasin Ltd[, Basel][, [●]] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Strategy Advisor]	[●] <i>(To be deleted if not required to be specified)</i>
[Calculation Agent]	[[Bank J. Safra Sarasin Ltd, [Basel] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[[Paying] [and] [Exercise] Agent]	[[Bank J. Safra Sarasin Ltd, [Basel] [or specify other [●]]] <i>(To be deleted if not required to be specified)</i>
[Clearing [/ Depository]	[[NO external settlement and clearing. These internal Securities are materialized at Bank J. Safra Sarasin Ltd only and cannot be externally transferred (executed transactions have to be settled in nominal value)] [SIX SIS AG] [or specify other [●]] [(executed transactions have to be settled in nominal value)][(executed transactions have to be settled in number of Securities)] [or specify other [●]] <i>(To be deleted if not required to be specified)</i>

[Prudential Supervision

[[Bank J. Safra Sarasin Ltd is a bank in accordance with the Swiss Banking Act and is subject to the prudential supervision by the Swiss Financial Market Supervisory Authority FINMA.]

[Bank J. Safra Sarasin Ltd, Guernsey Branch is authorized and regulated by the Guernsey Financial Services Commission ('GFSC') in respect of the Banking Supervision (Bailiwick of Guernsey) Law 1994 and the Protection of Investors (Bailiwick of Guernsey) Law 1987.][*or specify other [●]*]
(*To be deleted if not required to be specified*)

[[●] (*Insert any additional provision*)

[●] (*To be deleted if not required to be specified*)

[Taxes [(Switzerland)][*or specify other [●]*]

(if not applicable, the entire section has to be deleted)

[Important Notice

[[The following Swiss tax considerations do not address the tax consequences of the Security in any jurisdiction other than Switzerland. The below mentioned tax information is valid at the time of issuance. The relevant tax laws or the regulations of, and interpretations by tax authorities are subject to changes. The Issuer [and the Lead Manager] exclude[s] any liabilities in respect of all possible tax implications. In particular, the following summary is neither exhaustive nor does it intend to be a comprehensive tax advice. The investor is advised to contact an independent tax consultant in respect to this Security for further clarification of the investor's personal situation. The investor, irrespective of the tax jurisdiction, shall be liable for all current and future taxes and duties as a consequence of investment in the Security.] [*or specify other [●]*]
(*To be deleted if not required to be specified*)

[Swiss Withholding Tax [and [Swiss] Stamp Duties]

[[This Security is neither subject to the Swiss withholding tax nor to the Swiss Issuance Tax.] [Secondary market transactions, if any, are [not] subject to the Swiss security transfer tax[, if the initial Security term (between the Initial Payment Date and Final Redemption Date) is over one year].]
[In case of redemption with physical delivery of an Underlying Instrument, the Swiss security transfer tax is due based on the [Strike Price][*or specify other [●]*] of the delivered Underlying Instrument[, regardless of the Security term].]
[*or specify other [●]*]
(*To be deleted if not required to be specified*)

[Swiss Stamp Duties

[[The acquisition upon issuance (i.e., primary market transactions) of the Security is not subject to Swiss security transfer tax.] [Secondary market transactions

are not subject to the Swiss security transfer tax.]
[Secondary market transactions are subject to the Swiss security transfer tax. There is no Swiss security transfer tax upon redemption of the Security.] [*or specify other [●]*]

(To be deleted if not required to be specified)

[Swiss Withholding Tax

[[This Security is [not] subject to the Swiss withholding tax.] [Payouts of this security (cf. “Underlying income treatment”, “Payout Date”, and “Payout Amount”) are [not] subject to the Swiss withholding tax.] [*or specify other [●]*]

(To be deleted if not required to be specified)

[Income Tax [(applicable for private investors with Swiss tax domicile)]

[[For Swiss Federal income tax purposes this Security follows the taxation principles of collective investment schemes.] [The Calculation Agent reports the relevant reportable factors (change to previous year’s value) divided in the components income and capital gain to the Swiss Federal Tax Administration on an annual basis.] [The distribution component of the certificate itself paid periodically to the private investor (see “Payout Amount) is from a Swiss Federal income tax perspective therefore irrelevant.]

[The income part is [not] subject to Swiss Federal income tax for private investors with Swiss tax domicile whereas the capital gain part is [not] subject to Swiss Federal income tax]

[For private investors with Swiss tax domicile profits generated with this Security during the secondary market transactions or at Final Redemption Date are treated as tax free capital gain.]

[For tax purposes this Security is considered as transparent with predominantly [one-off interest bearing payment.][Periodically interest-bearing payments.]

[For private investors with Swiss tax domicile the increase of the bond-value ('bondfloor') is subject to the Swiss Federal income tax [[●] (“modifizierte Differenzbesteuerung”)] at sale or on the Final Redemption Date. In case of non CHF denominated Security, for the conversion applicable daily exchange rates may constitute a relevant factor in the determination of the relevant Swiss Federal income tax amount.]

[For private investors with Swiss tax domicile interest earned on the fixed-interest-bearing component of the coupon is subject to the Swiss Federal income tax at each corresponding Coupon Payment Date. Profits made on the integrated option premium component are treated as tax free capital gain.]

	<p>[Profits made on secondary market trading are treated as tax free capital gain for private investors with Swiss tax domicile.]</p> <p>[Swiss Cantonal and Communal income taxes may be treated different from the Swiss Federal income tax.]</p> <p>[<i>or specify other [●]</i>]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Bondfloor [at Initial Payment][<i>or specify other [●]</i>]	<p>[[●]% (Internal Rate of Return: [●]% p.a., Basis [Actual/Actual] [30/360] [360/360] [30E/360] days [<i>or specify other [●]</i>])]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Information on other withholding taxes]	<p>[[Any payment under this Security may be subject to withholding tax (such as, inter alia, withholding related to FATCA (U.S. Foreign Account Tax Compliance Act), QI or Section 871(m) of the U.S. Internal Revenue Code). Any payment, if any, due under these securities is net of such tax. Accordingly, the investor will receive less than the amount he would have otherwise received in the absence of any such withholding tax. In the event that any withholding taxes are applicable neither the Issuer, Bank J. Safra Sarasin Ltd, any paying agent nor any other third party is required to pay any additional amounts to the investor to compensate for such tax deductions or withholding.][<i>or specify other [●]</i>]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[Section 871(m) consideration]	<p>[[This Security on the Initial Fixing Date is [not] subject to withholding under Section 871(m) of the U.S. Internal Revenue Code [since it contains only qualified indices as Underlying instrument.]</p> <p>[Under Section 871(m) the withholding is applied based on the “dividend equivalent” amount paid, or deemed to have been paid, in relation to stocks of U.S. corporations or certain indices containing stocks of U.S. corporations. The Issuer will always apply the maximum withholding tax rate (currently [● 30%]) on all such Section 871(m) “dividend equivalent” amounts.][<i>or specify other [●]</i>]]</p> <p><i>(To be deleted if not required to be specified)</i></p>
[[●] (<i>Insert any additional provision</i>)]	<p>[●] (<i>To be deleted if not required to be specified</i>)</p>
[[Other terms][<i>or specify other [●]</i>]	<p><i>(if not applicable, the entire section has to be deleted)</i></p>
[Form of Deed]	<p>[[Uncertificated (“Book-entry”)] [Swiss Global [Permanent]] Securities]. [The investor has no right to exchange these Securities against individually printed deeds.] [<i>or specify other [●]</i>]]</p> <p><i>(To be deleted if not required to be specified)</i></p>

[Security Status]	[[Direct, [unsecured][secured] and [non-]subordinated liabilities of the Issuer] [<i>or specify other [●]</i>]] (<i>To be deleted if not required to be specified</i>)
[Covenant]	[[Pari passu clause] [<i>or specify other [●]</i>]] (<i>To be deleted if not required to be specified</i>)
[Law / Jurisdiction]	The legal relationship between the Issuer and the investor is governed by [Swiss substantive] [<i>or specify other [●]</i>] law. The sole place of jurisdiction is [Basel-City (Switzerland).] [<i>or specify other [●]</i>] (<i>To be deleted if not required to be specified</i>)
[Costs / Commissions]	[In connection with this Security one time (upfront-) remuneration such as distribution fees, brokerage fees or other commissions and/or recurring remunerations may be paid or received, as well as rebates on the Issue Price may be granted, which shall accrue in full to the recipient irrespective of whether the commissions are shared out between third parties or affiliated companies of the Bank J. Safra Sarasin Group. In particular, the Issue Price may also include commissions for the issue and distribution of this Security as well as costs for the structuring and securitization of the Security and for hedging liabilities in connection with the Security.] [- Issue Price Premium: [●]] [- Distribution Fee: [●]] [- Management Fee: [●]] [- Performance Fee: [●]] [- Rebalancing Fee: [●]] [- Transaction Fee: [●]] [-[●]: [●]] (<i>To be deleted if not required to be specified</i>)
[[●] (<i>Insert any additional provision</i>)]	[●] (<i>To be deleted if not required to be specified</i>)

II. PROSPECT OF PROFITS AND LOSSES

<i>[Prospective profit and losses at redemption</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[Maximum Prospective Profit]	[●] (<i>To be deleted if not required to be specified</i>)
[Maximum Prospective Loss]	[●] (<i>To be deleted if not required to be specified</i>)
[Market Expectation]	[●] (<i>To be deleted if not required to be specified</i>)
[[●] (<i>Insert any additional provision</i>)]	[●] (<i>To be deleted if not required to be specified</i>)

III. SIGNIFICANT RISKS FOR INVESTORS

Relevant risk information

[Investment Considerations

[[PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE FOLLOWING INVESTMENT CONSIDERATIONS ASSOCIATED WITH THE SECURITY. THESE CONSIDERATIONS ARE NOT EXHAUSTIVE AND SHOULD BE READ IN CONJUNCTION WITH THE RISKS AND CONSIDERATIONS DESCRIBED IN THE SECURITY DOCUMENTATION PREPARED BY THE ISSUER.]

[This Security is complex. An investment in this Security may involve the loss of the initial invested amount. Prior investing in this Security, investors should carefully read the Issuer's legal Security Documentation and ensure that they understand all risks associated with this Security and are able to assess whether such an investment instrument is appropriate for the investor in terms of their experience, objectives, financial circumstances and other relevant circumstances and can be advised on the legal, tax, financial and/or accounting consequences.] [Past performance of the Security and/or the Underlying Instrument provides no guarantee of future performance.] [Further information of the risks involved in securities trading is provided in the risk brochure 'Risks involved in Trading Financial Instruments' published by the Swiss Bankers Association. Copies of this brochure are available free of charge from the head-office of Bank J. Safra Sarasin Ltd (see last page for contact details).] [*or specify other [●]*]

(To be deleted if not required to be specified)

[Swiss Classification

[[Under Swiss law, this Security is considered a [structured product][debt instrument] [*or specify other [●]*] and is consequently [treated as a complex instrument and is] not suited to every investor. This Security does not represent a participation in a collective investment scheme in the sense of CISA and is therefore not subject to the regulations of the CISA or the approval or supervision of the Swiss Financial Market Supervisory Authority FINMA.]

[According to the risk classification model applied by the Swiss Structured Products Association (SSPA), this Security is rated in risk group [11 (capital protection products)] [12 (yield enhancement products)] [13 (Participation products)] [21 (leverage product without Knock-Out)] [22 (leverage

product with Knock-Out)].

[The SSPA classify all the Structured Products into two main risk categories: (i) Investment Product (SSPA code 1), and (ii) Leverage Product (SSPA code 2). The Investment Products (SSPA code 1) are classified in the following three different risk subcategories: Capital Protection (SSPA code 11), Yield Enhancement (SSPA code 12) and Participation (SSPA code 13) which the subcategory 11 corresponds to the lowest risk and subcategory 13 corresponds to the highest risk. The Leverage Products (SSPA code 2) are also classified in the following two different risk subcategories: Leverage Product without Knock-Out (SSPA code 21) and Leverage Product with Knock-Out (SSPA code 22). The risk associated with a product may increase or decrease for example due to the market changes. As a result, the risk category may change over the course of time. Classification into a risk category based on the SSPA model is a very simplified approach and does not take into account the investors' individual circumstances.]

[or specify other [●]]

(To be deleted if not required to be specified)

[Claim on Underlying Constituents

[[This Security does not confer any claim to receive rights and/or payments of the Underlying constituents, such as [coupon or] dividend payments, unless explicitly stated herein, and therefore, without prejudice to any coupon or dividend payments provided in this document, does not yield any income. This means that potential losses in value of the Security cannot be compensated by other income.] *[or specify other [●]]*

(To be deleted if not required to be specified)

[Early Redemption Risk

[[The Issuer has the right to call (exercise) the Securities for early redemption. As a result, investors will lose any future interests or other payments (if applicable) as well as any appreciation or depreciation (as applicable) in the Underlying. In addition, the early redemption may adversely affect the profitability of the Securities and result in additional transaction costs.] *[or specify other [●]]*

(To be deleted if not required to be specified)

[Market Risk

[[The price development of the Security is dependent on the evolution of the capital markets which, for their part, are influenced amongst others by the general global economic situation as well as

by the local economic and political conditions in the respective countries (so-called “Market Risk”). Changes in market conditions such as, but not limited to, interest rates, commodity prices, volatilities or correlations may have a negative or positive effect on the valuation of the Underlying Instruments or the Security. In addition, market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective Underlying Instruments and/or their Reference Exchanges or markets may occur during the Security term. Such occurrences may negatively impact the redemption and/or on the value of the Security.] *[or specify other [●]]*

[[Security Related Risk

[THERE IS NO [ASSURANCE THAT [100%][*or specify other [●]*] OF THE INVESTED AMOUNT WILL BE RETURNED] [GUARANTEE TO RECEIVE MORE THE CAPITAL PROTECTION AMOUNT] ON THE FINAL REDEMPTION DATE.] *[or specify other [●]]*

[●] *(To be specified the Security related market risk)*

[[Exchange Rate Risk: There are two ways in which an investor is exposed to exchange rate risk: (i) the Security Currency is different from that (or those) of [the Underlying Instruments][the Basket Constituents]*[or specify other [●]]*, and/or (ii) the Security Currency is different from the investor's reference currency. The value of the investment may therefore fluctuate as a result of exchange rate movements. In case of “Quanto” feature, the investor is protected on the Final Redemption Date from exchange-rate risk described in the item (i) above.] *[or specify other [●]]*

[[Volatility [and Correlation] Risk: The value of the Security is [highly] volatile and subject to [significantly] positive or negative fluctuations due to risk factors such as price movements, changes in the volatility [and correlation] of [the Underlying Instruments][the Basket Constituents]*[or specify other [●]]*, changes in foreign exchange and interest rates, as well as changes in the credit rating of the Issuer. The volatility [and the corresponding correlations] of a particular [Underlying Instruments][Basket Constituents]*[or specify other [●]]* may also vary over time.] *[or specify other [●]]*

[[Liquidity Risk: [Investors should be prepared to hold the Security until the Final Redemption Date since there is no assurance that investors will be able to partially or entirely liquidate their outstanding positions.] [The Issuer [and/or the Lead Manager (as the case may be)] strive[s] to make a secondary market available, but is under no legal obligation to do so.] [Under normal market conditions the Issuer [and/or the Lead Manager] intends to provide on every Business Day [bid] [and ask] valuation prices, which reflect current market conditions. There is no assurance that the investor will be able to obtain on the secondary market a firm price for the desired tradable amount. Investors are strongly discouraged from using this Security for speculative purposes or short-term trading opportunities.]

[The Issuer [and the Lead Manager] do[es] NOT intend to provide an active secondary market for the Security. Under normal market conditions the Issuer [and/or the Lead Manager (as the case may be)] may agree to provide, upon request of the investor, a best-effort bid price for the Security. However, neither the Issuer [nor the Lead Manager] nor any of its affiliates is under any legal obligation to provide tradable prices.]

[Under specific circumstances, as described in detail in the Issuer Security Documentation, the Issuer may redeem the Security prematurely, which may result in additional transaction costs and hence adversely affect the investor.] [*or specify other [●]*]

[●] (*additional Security related market risks, if applicable*)

(*To be deleted if not required to be specified*)

[Issuer Risks

[[The investors are exposed to the Issuer Risk for the whole duration of the Security. The ability of the investment to hold its value does not depend solely on the Return of the Underlying Instrument but also on the credit worthiness (credit rating) of the Issuer. A potential insolvency of the Issuer may result in a partial or complete loss of the invested capital, irrespective of the value and/or Return of the Security or its Underlying Instrument. Investors should note that credit ratings, if applicable, are granted by relevant rating agencies and are not in any way a guarantee of the Issuer's credit quality. The credit ratings or the perception of the credit

	worthiness of the Issuer may change from time to time.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i>
<i>[[●]](Insert any additional provision)</i>	<i>[●] (To be deleted if not required to be specified)</i>
<i>[Information on Collateralization [COSI] [or specify other [●]]</i>	<i>(if not applicable, the entire section has to be deleted)</i>
[Framework Agreement	<p>[[COSI® Collateral Secured Instruments - Investor Protection engineered by SIX. COSI® are structured products with a minimal Issuer Risk. This protection is provided by means of a collateral pledge. Investors thus profit from increased protection on the invested capital.</p> <p>This product (hereinafter called 'COSI') is collateralized in accordance with the terms of the SIX Swiss Exchange 'Framework Agreement for Collateral Secured Instruments' ('Framework Agreement').</p> <p>Bank Sarasin & Co. Ltd, Guernsey Branch ('Issuer') and Bank Sarasin & Co. Limited, Basel ('Collateral Provider') have concluded the Framework Agreement on January 7, 2011 and the Collateral Provider undertakes to secure the current value of the COSI product in favor of SIX Swiss Exchange. The legal position of the investors in relation to the collateralization of the COSI product is determined by the provisions of the Framework Agreement. The core elements of the collateralization are summarized in a SIX Swiss Exchange information sheet, which is available at www.six-swiss-exchange.com. The Issuer shall, upon request, provide the Framework Agreement to the investors free of charge in the German version or in an English translation. A copy of the Framework Agreement may be obtained from the Lead Manager (see last page for contact details).] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[No FINMA-Authorization	<p>[[COSI Products do not constitute collective investment schemes in the sense of the Federal Collective Investment Schemes ('CISA'). Therefore, they are not subject to authorisation or supervision by the Swiss Federal Financial Market Supervisory Authority (FINMA)] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Service Costs	<p>[[The costs for the service provided by SIX Swiss Exchange with respect to the collateralization of COSI products of currently up to 15 basis points (0.15%) of the total value of the collateral as well as</p>

	<p>the borrowing costs of the collateral may be taken into account for the pricing of a COSI product and may therefore be borne by the investors, as the case may be.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Payment	<p>[[With regard to the payment of the prorata share of the net liquidation proceeds the investor shall bear the solvency risks of SIX Swiss Exchange and the financial intermediaries along the payout chain. The payment to the investors may be delayed for factual or legal reasons. To the extent the calculation of the current value of a COSI product proves to be incorrect, the collateralization of the COSI product may be insufficient.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Calculation Method	<p>[[The current value of this COSI product is determined according to [the 'A method' (Fair Value)][the 'B method']<i>[or specify other [●]]</i>. More detailed information about the calculation method is available at [www.six-swiss-exchange.com.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Issuer Risk	<p>[[The investor's exposure to the credit risk of the Issuer, the Guarantor and/or the Payment Undertaker, as the case may be, of this Security is minimized due to COSI collateralization. In order to collateralize this Security, collaterals have been deposited at SIX SIS Ltd in favor of SIX Swiss Exchange Ltd. Following the insolvency of the Issuer, the Guarantor and/or the Payment Undertaker, as the case may be, the deposited collaterals will be used for the Redemption of this Security.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[[●] <i>(Insert any additional provision)</i>	<p><i>[●] (To be deleted if not required to be specified)</i></p>

VI. IMPORTANT NOTICE

[Purpose	<p>[[The information contained in this document is intended for [marketing and] information purposes only and does not constitute financial, legal or tax advice or a recommendation or solicitation to acquire the Security. They do not intend to be a substitute for obtaining the necessary individual advice and information on risks from a professional advisor in order to ensure that the transaction is appropriate to the investor financial goals and circumstances.]</p>
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[This Security is a [structured product][debt instrument] [*or specify other [●]*]. [Structured products are complex and may carry a high risk of loss] [*or specify other [●]*]. The Security described in this document is only suitable for investors who understand and accept the associated risks.]

[This document does not constitute an issue prospectus in the sense of Article 652a or Article 1156 of the Swiss Code of Obligations. This Security is not a collective investment within the meaning of Article 7 et seq. of the CISA. It does not require approval from nor is it supervised by the Swiss Financial Market Supervisory Authority FINMA.]

[The Issuer provides no guarantee regarding the accuracy, quality, up-to-dateness or completeness of the content of this document. The Terms & Conditions may be changed at any time without notice. In particular, neither the Issuer nor any other involved parties are under any obligation to update the content of this document.]

[If the Issuer and/or its affiliated companies receive payments from third parties, the interests of the Issuer and/or its affiliated companies may conflict with the interests of the investors. Payments of this kind can have a negative effect on Return on investment. In addition, certain integrated costs can have a negative impact on the value of the Security prior to its Final Redemption Date.] [The Bank J. Safra Sarasin or an affiliated company may be involved in other transactions or business on the Underlying Instrument of this Security which are not disclosed here.] [*or specify other [●]*]

(To be deleted if not required to be specified)

[Selling Information

[[This document and the Securities have not been filed with or approved by any regulatory authority. No action has been or will be taken by the Issuer [or the Lead Manager] to allow a public offering of the Security, or possession and distribution of any offering material in relation to the Security in any jurisdiction where such action for that purpose is required. Any offer, sale or delivery of the Security, distribution or publication of any offering material relating to the Security, may only be made in or from jurisdictions in compliance with applicable laws and regulations without imposing any additional obligations on the Issuer [or the Lead Manager]. Below restrictions are not a conclusive guidance as to whether the Securities can be offered and sold in or from a jurisdiction. Additional information about

selling and offering restrictions are contained in the Security Documentation prepared by the Issuer.] [*or specify other [●]*]

[[**Switzerland:** [The public distribution of the Securities is permitted in Switzerland][This Security may only be offered or sold in Switzerland or from Switzerland to qualified investors as defined in Article 10 of the CISA.]. [The Securities will [not] be listed on the SIX Swiss Exchange Ltd. (“SIX Swiss Exchange”) [or on any other stock exchange or regulated trading facility.] [*or specify other [●]*]]]

[[**Channel Islands:** [The Securities may not be offered or sold within the Islands of Guernsey, Jersey, Alderney, Herm and Sark.] [*or specify other [●]*]]]

[[**United States:** [The Securities may not be offered or sold within the United States or to, or for the account or benefit of, US persons as defined by Regulation S. The Securities have not been and will not be registered under the Securities Act of 1933, as amended (the “Act”).] [*or specify other [●]*]]]

[[**European Economic Area:** [The Security has not been approved for public distribution in any country of the European Economic Area (“EEA”). Any offering of this Security within EEA member states only permissible in compliance with the exemptions set out in the EU Prospectus Directive and the law of the concerned EEA

jurisdiction.] [The Security may only be offered to professional investors and eligible counterparties as defined in the European Markets in Financial Instruments Directive (2004/39/EC: “MiFID”). A public offering within the EEA member states of the European Economic Area (“EEA”) is not permitted.] [Any type of offering within member countries of the European Economic Area (“EEA”) is not permitted.] [*or specify other [●]*]]]

[[**Israel:** [This document has been prepared by Bank J. Safra Sarasin Ltd, and is distributed in Israel by Bank J. Safra Sarasin Ltd or one of its affiliates, neither of whom are supervised or licensed by the Israel Securities Authority. No action has been or will be taken in Israel that would permit an offering of this Security to the public in Israel. In particular, none of the applicable documentation has been or will be reviewed or approved by the Israel Securities Authority and the Security must only be offered or sold to individuals or entities that classify as Qualified Investors as defined under the Securities

Law, 5728-1968. This documentation may not be reproduced or used for any other purpose, nor be furnished to any person other than those to whom copies have been sent. Any offeree who purchases this Security is doing so exercising their own discretion, for their own benefit and not with the aim or intention of distributing or offering this Security to other parties.] [*or specify other [●]*]

[[The Bahamas: [This document is circulated to private clients of Bank J. Safra Sarasin (Bahamas) Ltd., and is not intended for circulation to nationals or citizens of The Bahamas or a person deemed “resident” in The Bahamas for the purposes of exchange control by the Central Bank of The Bahamas.] [*or specify other [●]*]

[[Singapore - Regulatory Warning Statements: [This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, Bank J. Safra Sarasin Ltd, Singapore Branch will not offer or sell the Securities or cause the Securities to be made the subject of an invitation for subscription or purchase nor will it circulate or distribute this document, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that

corporation or that trust has acquired the products pursuant to an offer made under Section 275 except:

(1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in foreign currency) for each transaction whether such amount is to be paid in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer: or

(3) where the transfer is by operation of law.

This advertisement has not been reviewed by the Monetary Authority of Singapore.] [*or specify other* /•/]

[[Hong Kong - Regulatory Warning Statements: [The Securities are available for Professional Investors only. It is a complex product and investors should exercise caution in relation to the Securities.

This document and its contents are not intended and shall not in any way be construed as an offer or solicitation to the public in Hong Kong for the purchase or sale of the Securities. This document has not and will not be registered as a prospectus in Hong Kong or authorized by the Hong Kong Securities and Futures Commission under the Hong Kong Securities and Futures Ordinance nor has its content been reviewed by any regulatory authority in Hong Kong. Accordingly, unless permitted by the securities laws of Hong Kong, (i) in the case of the Securities being shares or debentures of a company, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are 'professional investors' as defined in the Securities and Futures Ordinance and any rules made there under or In circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) in other cases, no person may issue or have in its possession for the purposes of issue, this document, or any

advertisement, invitation or document relating to the Securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong, other than with respect to securities, regulated investment agreement or collective investment scheme which are intended to be disposed of only to persons outside Hong Kong or only to 'professional investors' as defined in the Securities and Futures Ordinance and any rules made there under. If an investor is in any doubt about any of the contents of this document, the investor should obtain independent professional advice.] *[or specify other [●]]*

(To be deleted if not required to be specified)

[Security Documentation

[[Up to the Initial Fixing Date, all information contained in this [document][Terms][Termsheet] is indicative (“Indicative [Terms][Termsheet]”) and may be subject to changes. No liability can be assumed for the information provided in the Indicative [Terms][Termsheet]. The Issuer has no obligation to issue the Security as described in the Indicative [Terms][Termsheet].

[For Securities not listed on the SIX Swiss Exchange and distributed to non-qualified investors in Switzerland or from Switzerland, the Indicative resp. Final [Terms][Termsheet] includes the required information [for the provisional and the definitive Simplified Prospectus in the sense of Article 5 (2) of the CISA.]

The Final [Terms][Termsheet] and the [Swiss] Base Prospectus [(the “Base Prospectus”)] valid as per the [Initial Fixing Date][Trade Date][Issue Date][*or specify other [●]*], as amended from time to time contain all the relevant Terms & Conditions , and shall form together the entire and legally binding documentation [(“Security Documentation”)] for the Security. [Accordingly, the Final [Terms][Termsheet] should always be read together with the Base Prospectus.] [Definitions used but not defined in the Final [Terms][Termsheet] shall have the meaning given in the Base Prospectus.] [In the event of discrepancies between the Final [Terms][Termsheet] and the Base Prospectus, the provisions of the Final [Terms][Termsheet] shall prevail.] [Versions of the Final [Terms][Termsheet] in other languages, if any, constitute non-binding translations. The Issuer and/or Bank J. Safra Sarasin Ltd is entitled to correct spelling mistakes,

calculation or other obvious errors in the Final [Terms][Termsheet] and to make editorial changes, as well as to amend or supplement contradictory or incomplete provisions, without the consent of the investors.] [Printed copies of the Security Documentation may be requested free of charge at the head office of Bank J. Safra Sarasin Ltd (see last page for contact details).] [*or specify other [●]*]
(To be deleted if not required to be specified)

[PRIIPs KID

[[These Securities are not intended to be sold to EEA retail investors in the member countries of EEA as defined under Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance based investment products (PRIIPs) (the "PRIIPs Regulation"). Accordingly, the Issuer has not prepared a key information document ("KID") in accordance with the PRIIPs Regulation in relation to these Securities. Any offer or sale of the Securities to retail investors in or from the member countries of EEA may be unlawful. Each distributor offering and/or selling the Securities and/or Investor acquiring the Securities will be deemed to represent, warrant and undertake to the Issuer, the Lead Manager and the distributor that it has not offered or sold, and will not offer or sell the Securities to EEA retail investors and that it has complied and will comply with the PRIIPs Regulation in relation to the Securities. Bank J. Safra Sarasin Ltd as Issuer and Lead Manager expressly disclaims any responsibility for offerings and/or sales of Securities to retail investors in breach of the PRIIPs Regulation] [*or specify other [●]*]
(To be deleted if not required to be specified)

[Notices

[[All the relevant notifications and amendments concerning the Security shall be published in the corresponding Final [Terms][Termsheet] which may be available either on the website [● <http://derivatives.jsafrasarasin.com>] [or obtained directly from Bank J. Safra Sarasin Ltd] [● (see last page for contact details)] in accordance with the Terms & Conditions of the [Base Prospectus]. In case this Security is listed on SIX Swiss Exchange all the relevant notifications and amendments will be published according to the rules and regulations of SIX Swiss Exchange Ltd.][*or specify other [●]*]
(To be deleted if not required to be specified)

[No Material Adverse Changes

[[Unless stated in the Security Documentation or

otherwise publically disclosed, no material changes have occurred in the assets and liabilities, financial position and profits and losses of the Issuer and Guarantor, if any, since the reporting date or the close of the last financial year or the interim financial statements of the Issuer and, as the case may be, of the Guarantor. The Issuer and the Guarantor, if any, are still able to carry out their obligations under this Security][*or specify other [●]*]
(*To be deleted if not required to be specified*)

[Responsibility

[The Issuer accepts responsibility for the information contained in this document and hereby declares that information contained in this document is correct, to the best of its knowledge and belief, and that no material facts or circumstances have been omitted. The issue of the Security was approved by two duly authorized officers in charge for the derivative business.][*or specify other [●]*]
(*To be deleted if not required to be specified*)

[[●] (*Insert any additional provision*)

[●] (*To be deleted if not required to be specified*)

IV. UNDERLYING INFORMATION (*if not applicable, the entire section has to be deleted*)

[Important Notices

[[The information contained in this document about [the Underlying Instruments][the Basket Constituents][*or specify other [●]*] consists of extracts from, or summaries of, information publicly available and may not always correspond to the latest information available.]

[The Issuer accepts only responsibility for accurately extracting and summarizing information regarding [the Underlying Instruments][the Basket Constituents][*or specify other [●]*]. No further responsibilities (explicit or implied) in respect of information regarding [the Underlying Instruments][the Basket Constituents][*or specify other [●]*] are accepted by the Issuer. The Issuer gives no assurance that information regarding [the Underlying Instruments][the Basket Constituents][*or specify other [●]*], any other publicly available information or any other publicly available documents referring to [the Underlying Instruments][the Basket Constituents][*or specify other [●]*] or any of their components, are accurate or complete.]

[There is no assurance that all events occurred prior to the publication of this document which may affect the trading price of [the Underlying Instruments][the

	<p>Basket Constituents][<i>or specify other [●]</i>], or any of their components to which the Security (and therefore the trading price and value of the Security) is related have been publicly disclosed. Subsequent disclosures of any such events or the disclosure or failure to disclose material future events concerning [the Underlying Instruments][the Basket Constituents][<i>or specify other [●]</i>], or any of their components to which the Security is related may affect the trading price and value of this Security.] <i>[or specify other [●]]</i> <i>(To be deleted if not required to be specified)</i></p>
[Price Development]	<p>[[Information relating to price development of [the Underlying Instruments][the Basket Constituents][<i>or specify other [●]</i>] may be found [either on the corresponding company's webpage][or, if applicable,] [the Index Sponsor's][or the Fund Manager's webpage]; or other public sources, such as Bloomberg, Refinitiv (Reuters) or other financial webpages] [<i>or specify other [●]</i>]. [Alternatively, this information may be obtained from Bank J. Safra Sarasin Ltd (see last page for contact details).]]</p> <p>[Past performance of [the Underlying Instruments][the Basket Constituents][<i>or specify other [●]</i>] provides no guarantee of future performance.][<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i></p>
[Financial Report]	<p>[[Information relating to the current financial reports of [the Underlying Instruments][the Basket Constituents][<i>or specify other [●]</i>] may be available [either on the corresponding company's webpage directly] [or, if applicable,][to the Index Sponsor's][or to the Fund Manager's webpage][or any public sources, such as Bloomberg, Reuters, financial webpages][<i>or specify other [●]</i>]. [Alternatively, this information may also be obtained from the Bank J. Safra Sarasin Ltd (see last page for contact details).][<i>or specify other [●]</i>] <i>(To be deleted if not required to be specified)</i></p>
[Disclaimer]	<p>[Not Applicable][●] <i>(To be deleted if not required to be specified)</i></p>
[[●] <i>(Insert any additional provision)</i>	<p>[●] <i>(To be deleted if not required to be specified)</i></p>
[[● VI.]] <i>(if not applicable, the entire section has to be deleted)</i>	
[[●] <i>(Insert any additional provision)</i>	<p>[●] <i>(To be deleted if not required to be specified)</i></p>

[ANNEX [● I] [Composition of the Underlying] (if not applicable, the entire section has to be deleted)

[Underlying Name] [●] (To be deleted if not required to be specified)
 [Underlying Currency] [●] (To be deleted if not required to be specified)
 [Composition Date] [●] (To be deleted if not required to be specified)
 [[●] (Insert any additional provision)] [●] (To be deleted if not required to be specified)

Name of the Constituent	[Bloomberg Ticker] [Reuters RIC]	[ISIN] [Valor]	[Weight] [(1)]	[Currency] [CCY]	Intial [Price] [Value][(2)]	[Intial FX]	Reference Exchange	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

[(1)] [[The specified weights are valid at Initial Fixing Date. The relative weights are bound to vary depending on the price development of each constituent as well as its prevailing exchange rate during the term of the Security.] [or specify other [●]]]
 (To be deleted if not required to be specified)

[(2)] [[The Initial Price is based on the executed price of each constituent at the Initial Fixing Date as determined by the Calculation Agent in good faith, taking into account any costs, expenses, duties, taxes, levies, margin, or other charges whatsoever withheld from or paid or otherwise incurred by or on behalf of the Issuer as a result of, or in connection with, the Issuer being the direct or indirect holder of the constituent.] [or specify other [●]]]
 (To be deleted if not required to be specified)

[[●] (Insert any additional provision)] [●] (To be deleted if not required to be specified)

[ANNEX [● I] [Intial Reference Portfolio] (if not applicable, the entire section has to be deleted)

[Reference Portfolio Name] [●] (To be deleted if not required to be specified)
 [Reference Portfolio Currency] [●] (To be deleted if not required to be specified)
 [Composition Date] [●] (To be deleted if not required to be specified)
 [[●] (Insert any additional provision)] [●] (To be deleted if not required to be specified)

Refernce Entity	Reference Obligation	Guarantor (if any)	ISIN	Maturity	Coupon in % (p.a.)	Transaction Type	Weighting	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

[Index Disclaimer] [●] (To be deleted if not required to be specified)

[ANNEX [• II] [•]] *(if not applicable, the entire section has to be deleted)*

[•] *(Insert any additional provision)*

[•] *(To be deleted if not required to be specified)*

SIX COLLATERAL SECURED INSTRUMENTS (COSI)

THIS SECTION IS APPLICABLE FOR SECURITIES THAT ARE COLLATERALIZED IN ACCORDANCE WITH THE TERMS OF THE SIX SWISS EXCHANGE “FRAMEWORK AGREEMENT FOR COLLATERAL SECURED INSTRUMENT” – COSI SECURITIES.

COSI Securities (hereinafter “COSI”) is collateralized in accordance with the terms of the SIX Swiss Exchange “Framework Agreement for Collateral Secured Instruments”. Bank J. Safra Sarasin Ltd (“Collateral Provider”) undertakes to secure the value of the COSI at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI and the collateral shall be valued on each Banking Day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform Investors about the collateral that is permitted as security for the COSI at any given time. The Collateral Provider shall pay SIX Swiss Exchange a Fee for the service regarding the collateralization of the COSI. A change of Collateral Provider shall be notified in accordance with the provisions of this Base Prospectus.

If FINMA orders the liquidation (bankruptcy) regarding SIX Swiss Exchange or SIX SIS, the collateralization shall continue during two Banking Days which follow such order. After expiration of the two Banking Days without occurrence of a Realization Event the collateralization shall stop and a Realization Event cannot occur anymore; the Collateral is transferred back from the account of SSX at SIX SIS to the account of the Guarantor at SIX SIS. If a Realization Event occurs during these two Banking Days, clause 11 shall be applicable. SSX and SIX SIS shall notify the public, by announcement on their websites, of the order of FINMA and the stop of collateralization.

Documentation

The collateralization in favour of SIX Swiss Exchange is based on the “Framework Agreement for Collateral Secured Instruments” between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated December 05, 2018 (“Framework Agreement”). The Investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of this Base Prospectus. In the event of any contradiction between the provisions of this Base Prospectus and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to Investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Bank J. Safra Sarasin Ltd at Elisabethenstrasse 62, CH4002 Basel, Switzerland via telephone +41 (0)58 317 4878, fax +41 (0)58 317 4860 or via e-mail to derivatives@jsafrasarasin.com. The core elements of collateralization of the COSI are summarized in a SIX Swiss Exchange information sheet, which is available at “www.six-group.com/exchanges”.

Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter “Current Value”). The Current Values shall be determined in the trading

currency of the COSI and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI. If prices for the COSI calculated by third parties are available (so-called “Fair Values”), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the “bond floor pricing”, as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI. If the final bid-side purchase price of the COSI on the previous trading Day on SIX Swiss Exchange Ltd. is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI shall be determined exclusively in accordance with the provisions of the “Special Conditions for Collateral Secured Instruments” of SIX Swiss Exchange. The Current Value of [product] shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] of these Special Conditions of SIX Swiss Exchange [including the respective accrued interest]

Distribution and market making

The distribution of the COSI shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI is in place.

If FINMA orders the liquidation (bankruptcy, regarding SIX Swiss Exchange or SIX SIS, trading in all COSIs under this Framework Agreement shall be suspended immediately and the COSIs shall be delisted. The obligation for market making shall expire with this suspension of trading. The Issuer is obliged to ensure an over-the-counter (OTC) market making for the certificates for their remaining duration and to repurchase the certificates from the Investors at their corresponding market value. This right of reselling of the Investors vis-à-vis the Issuer is based on a genuine contract in favor of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations). SIX Swiss Exchange and SIX SIS shall notify the public, by announcement on their websites, of the obligations of the Issuer regarding over-the-counter market making and repurchasing of the certificates.

Risks

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the Investors' claims. The Investor bears the following risks, among others:

- (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI rises or the value of the collateral decreases;
- (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation;

- (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place;
- (iv) the maturity of COSI in a foreign currency according to the Framework Agreement may result in losses for the Investor because the Current Value (determinant for the Investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the Investor's claim against the issuer is satisfied) is made in Swiss francs;
- (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the Investors in COSI.

Liquidation of collateral

If the Collateral Provider fails to fulfill its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated ("Liquidation Events") if

- (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) Banking Days;
- (ii) the issuer fails to fulfill a payment or delivery obligation under a COSI upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfillment of such obligations is defective, unless any such defect is remedied within three (3) Banking Days;
- (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks;
- (iv) (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above;
- (v) the market making obligation is breached for ten (10) consecutive Banking Days;
- (vi) the Collateral Provider's participation at SIX SIS ceases;
- (vii) the provisional admission of the COSI to trading lapses or is cancelled and the issuer fails to satisfy Investors' claims according to the issuing conditions of the COSI within thirty (30) Banking Days of the lapse or cancellation of the provisional admission; or

- (viii) the COSI are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy Investors' claims according to the issuing conditions of the COSI within thirty (30) Banking Days of the last trading Day.

The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the Investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled:

- (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as
- (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation).

Once a Liquidation Event has occurred, trading in all COSI of the issuer may be suspended, and the COSI of the issuer may be delisted.

Maturity of the COSI as well as Investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI under the Framework Agreement shall fall due for redemption thirty (30) Banking Days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds arise automatically only once the COSI have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favor of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI by an Investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Article 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI. In dealings with SIX Swiss Exchange and SIX SIS, the Investors are bound by the provisions of the Framework Agreement, specifically the choice of Swiss law and the exclusive jurisdiction of the courts in Zurich (Switzerland).

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the Investors. Investors' claims against the issuer will be based on these Current Values when the COSI mature in accordance with the Framework Agreement. The Current Values of the COSI on the Banking Day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI.

Costs of liquidation and pay out for the benefit of the Investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting Fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flat-rate Fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the Investors in COSI of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to Investors to SIX SIS Participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those Investors who hold their COSI via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these Investors to one or more other SIX SIS Participants or to one or more third parties, which will attend to the payment to Investors in COSI either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all Investors in COSI conducted by one or more other SIX SIS Participants or by one or more third parties.

The payouts to Investors are made exclusively in Swiss francs. The claim of the Investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an Investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI. Should the combined Current Values of all Investors in the issuer's COSI exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual Investors will be made according to the ratio between the total Current Values held by individual Investors and the total Current Values accruing to all Investors in COSI of the issuer.

In the case of COSI in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the Investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the Banking Day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to Investors in such COSI and shall have no

further effect on the relationship between the Investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI as well as the applicable exchange rates.

The Investors' claims against the issuer arising from the COSI are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI of a different trading currency than the Swiss franc the reduction amount of the claim of the Investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI to the Swiss franc applicable on the Banking Day immediately preceding the date on which the Liquidation Event occurred.

No further Investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI under the terms of the Framework Agreement.

Secondary listing

Apart from the primary listing of the COSI on SIX Swiss Exchange the issuer may apply for a listing or admission to trading on one or more secondary exchanges. All aspects and events related to listing or admission to trading of the COSI on a secondary exchange shall be disregarded under the Framework Agreement. In particular, prices of the COSI on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI from a secondary exchange, shall not be deemed a Liquidation Event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a Liquidation Event and the maturity of the COSI pursuant to the Framework Agreement in the countries where a listing or admission to trading of the COSI on a secondary exchange is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI is made via SIX SIS Participants to the extent these Participants hold the COSI in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS Participants. If the payment is made via third parties or via SIX SIS Participants in respect of COSI that are not booked to these Participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

No authorisation

COSI do not constitute collective investment schemes pursuant to the Federal Act on Collective Investment Schemes (CISA). They do not require authorization or supervision by the Swiss Financial Market Supervisory Authority FINMA.

Congruence with the Base Prospectus

This Section “SIX Collateral Secured Instruments (COSI)” corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Base Prospectus:

Term used in this Section	Corresponding Base Prospectus Definition
issuer	Issuer
Investor	Investor or Securityholder
trading day	Business day
maturity	Maturity Date, Redemption Date or Final Fixing Date
Redemption	Redemption

The provisions of this Section “SIX Collateral Secured Instruments (COSI)” take precedence in the event of contradiction between this Section “SIX Collateral Secured Instruments (COSI)” and the other contents of the Base Prospectus.

OFFERING & SALE

General

No action has been or will be taken by the Issuer or the Lead Manager that would permit a distribution of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, resales or deliveries of any Securities or distribution of any offering material relating to any Securities may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuers and/or the Lead Manager.

The Securities may be neither distributed nor sold in any other jurisdiction, as stated in the Final Terms, without prior preparation or registration of further offer documents, except in circumstances which will result in compliance with any relevant laws and regulations and will not impose any further obligations by the Issuer or the Lead manager.

Switzerland

The Securities may only be offered, directly or indirectly, in Switzerland in accordance with the Financial Services Act ("FinSA").

If so specified in the applicable Final Terms, the Securities must not be offered in Switzerland, except to professional clients within the meaning of the FinSA (Article 4 FinSA), and only in compliance with all other applicable laws and regulations and must not be offered to clients in Switzerland which qualify as private clients within the meaning of Article 4 FinSA and who have to be provided with a basic information sheet pursuant to Article 8 FinSA, respectively.

If so specified in the applicable Final Terms, the Securities must not be offered in Switzerland, except to qualified investors as defined in the Collective Investment Schemes Act ("CISA") (Article 10 CISA), and only in compliance with all other applicable laws and regulations.

Certain Securities may only be offered in Switzerland to retail clients within the meaning of FinSA ("Retail Clients") if either (i) a key information document pursuant to Articles 58 et seq. FinSA relating to the Securities (a "FinSA-KID"), or (ii) a key information document pursuant to the PRIIPs Regulation (a "PRIIPs-KID") in accordance with Article 59 para 2 FinSA in connection with Article 87 FinSO, has been prepared and made available to the client. If such Securities are solely offered to Retail Clients within the scope of asset management mandates, such obligation to prepare and make available a FinSA-KID, a PRIIPs-KID do not apply (Article 58 para 2 FinSA). Additional security's exemptions about the obligation to prepare and make make available a FinSA-KID, a PRIIPs-KID are listed in the Article 59 para 1 FinSA.

If and to the extent the Securities are publicly offered, directly or indirectly, in Switzerland and within the meaning of FinSA, the Final Terms pertaining to the Securities have to be submitted with the SIX Exchange Regulation in its capacity as Reviewing Body pursuant to Article 45 para 3 FinSA.

United States of America, U.S. Persons

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended

(the “Securities Act”) or the Security Laws of any State of the United States. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act of 1936, as amended (the “Commodity Exchange Act”) or by the United States Securities and Exchange Commission. The Securities (or any rights thereunder) will be offered only outside of the United States and only to persons that are not U.S. persons as defined in Regulation S of the Securities Act. This Base Prospectus is not intended to be used within the United States and may not be delivered within the United States.

No Securities, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act except as permitted by U.S. tax regulations and exempt from the registration requirements of the Securities Act. Securities in bearer form are subject to U.S. tax law requirements.

An offer or sale of Securities, or interests therein, directly or indirectly, within the United States, or for the account or benefit of, U.S. Persons may violate the registration requirements of the Securities Act. In addition, in the absence of relief from the CFTC, offers, sales, resales, trades or deliveries of Securities, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons, may constitute a violation of United States law governing commodities trading.

In addition, until 40 days after the Payment Date (including) or after the completion of the distribution of the Securities (whichever is later), an offer or sale of the Securities within the United States of America by any bank (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Islands of Guernsey, Alderney, Herm and Sark

The Securities may not be sold or offered on the Islands of Guernsey, Alderney, Herm and Sark.

Neither this Base Prospectus nor any Securities offered pursuant to this Base Prospectus may be offered to members of the public in Guernsey, Alderney, Herm and Sark. Circulation of this Base Prospectus and any documents relating to any Securities within Guernsey, Alderney, Herm and Sark is restricted to persons or entities that are themselves licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Laws, the Banking Supervision (Bailiwick of Guernsey) Law, the Insurance Business (Bailiwick of Guernsey) Law or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law.

European Economic Area

In relation to each Member State of the European Economic Area (“**Member State**”), the Securities may not be offered to the public in that Member State (or the United Kingdom) except in circumstances which do not require a prospectus in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “Prospectus Regulation”), i.e. the Securities may only be offered to the public under one of the following types of offering defined in Article 1.4 of the Prospectus Regulation (Regulation (EU) 2017/1129, as amended) together with the compliance of any additional specific rules applicable in a Member State:

- (i) Qualified investors: at any time the Securities are offered to the public solely to qualified investors as defined in the Prospectus Regulation; or
- (ii) Fewer than 150 offerees: at any time the Securities are offered to the public to fewer than 150 natural or legal persons per Member State, other than qualified investors as defined in the Prospectus Regulation; or
- (iii) Other exempt offers: at any time the Securities are offered to the public in other circumstances where there is an exemption from the publication of a prospectus under the Prospectus Regulation,

provided that no such offer of Securities referred to in (i) to (iii) above shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement of a Prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “**Securities offered to the public**” in relation to any Securities in any Member State or the United Kingdom means a 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 for the Securities.

Securities issued under this Base Prospectus may include Securities that are PRIIPs under Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (“**PRIIPs**”) (the “**PRIIPs Regulation**”). PRIIPs may only be sold to retail investors (as defined in the PRIIPs Regulation) in the European Economic Area (“**EEA**”) if a key information document in accordance with the PRIIPs Regulation (a “**PRIIPs-KID**”) is made available to such investors. The Issuer shall only prepare KIDs in relation to Securities that it intends to make available to such retail investors. Persons purchasing such Securities will be deemed to represent, warrant and undertake to the Issuer that they will not offer or sell any PRIIPs to retail investors in the EEA and that they will comply with the PRIIPs Regulation. Bank J. Safra Sarasin Ltd, as Issuer and Lead Manager expressly disclaims any responsibility for offers and sales of PRIIPs to retail investors in circumstances where PRIIPs are not intended to be sold to retail investors in the EEA.

United Kingdom

In addition to the general rules for the European Economic Area mentioned above, each person who is engaging in an invitation or inducement to engage in investment activity of the Securities represents that:

- (i) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act (the “**FSMA**”) by the Issuer;

- (ii) 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 the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of or made under the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Monaco

The Securities may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorized intermediary acting as a professional institutional investor which has such experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Securities. Consequently, this document may only be communicated to banks as defined in Article L 511.1 of the French “Code monétaire et financier”, registered in Monaco and duly licensed by the French “Autorité de Contrôle Prudentiel et de Résolution” and the Monegasque “Commission de Contrôle des Activités Financières”, and fully licensed portfolio management companies registered in Monaco by virtue of Law n° 1.338 of 7 September, 2007 and Sovereign Ordinance n° 1.224 of 10 September, 2007, and duly licensed by the “Commission de Contrôle des Activités Financières” and to other persons if this document is communicated through such banks or licensed portfolio management companies.

Russia

Information set forth in this document is not an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer the Securities in the Russian Federation or to or for the benefit of any Russian person or entity and must not be distributed or circulated in the Russian Federation, unless to the extent otherwise permitted under Russian law. Neither the issuance of the Securities nor this Base Prospectus or a securities prospectus in respect of the Securities has been registered or is intended to be registered, with the Central Bank of the Russian Federation (the “CBR”).

Bahamas

This document has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt the offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011, and in the circumstances, no such offer or sale of the Securities can occur in The Bahamas.

The Securities to be issued under this document may not be sold, offered or distributed, and will not be sold, offered or distributed in The Bahamas except in compliance with applicable Bahamian laws or pursuant to an exemption therefrom. This document is not, and shall not be construed as, an offer to sell, or a solicitation of an offer to buy, or a distribution of the Securities in, or to the public, in The Bahamas. Furthermore, no Securities may be issued, transferred to, registered in favour of or beneficially owned by any person (legal or natural) deemed resident in The Bahamas pursuant to the Exchange Control Regulations Act 1956 of The Bahamas and the Regulations promulgated thereunder except with the prior

approval of the Central Bank of The Bahamas.

Panama

The Securities to be issued under this document will not be registered with the Securities Exchange Commission (“Superintendencia del Mercado de Valores” or “**SMV**”) of Panama and may only be traded in compliance with Law Decree 1 of 1999 and Title II of Law 67 of 2011 of Panama, which were combined into a Single Text Document in Panama’s Official Gazette (“Gaceta Oficial”) No. 26979-A of 23 February 2012 (the “Law”), and amendments in particular with Article 129 of the Law that describes which trades are exempt from registration in the SMV. The Securities to be issued under this document may only be offered to the public through licensed branches or brokers in Panama.

Dubai

The Securities to be issued under this document may not be offered to any person in the Dubai International Financial Centre unless such offer is (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”); and (b) made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module. The DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it.

Qatar

This document is not intended to constitute an offer, sale or delivery of securities under the rules and regulations of the Qatar Financial Centre Authority (“**QFCA**”) and the Qatar Financial Centre Regulatory Authority (“**QFCRA**”). This document has not been lodged or registered with, or reviewed or approved by the QFCA and the QFCRA and is not otherwise authorised or licensed for distribution in the Qatar Financial Centre (“**QFC**”) unless to the Business Customers as defined in Rule 1.2.5 of Conduct of Business (COND) Rules of QFCRA. The information contained in this document does not, and is not intended to, constitute a public or general offer or other invitation in respect of securities in the QFC.

Singapore

This document is not a Prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). Accordingly, statutory liability under the SFA in relation to the content of Prospectus would not apply. Further, this document has not been registered as, a Prospectus with the Monetary Authority of Singapore (the “**MAS**”). The Securities may not be offered or sold or the Securities or be caused the Securities to be made the subject of an invitation for subscription or purchase nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly be circulated or distributed, to the public or any member of the public in Singapore other than (i) to an institutional Investor specified in Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 by a relevant person which is:

- (i) a corporation (which is not an accredited Investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited Investor; or
- (ii) a trust (where the trustee is not an accredited Investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited Investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

- (i) to an institutional Investor (as defined in Section 4A of the SFA or for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer referred to in Section 275 (1A) or section 276 (4)(i)(B) of the SFA that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than \$200,000 (or its equivalent in foreign currency) for each transaction whether such amount is to be paid in cash or by exchange of Securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to section 276 (7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Security refers to a fund (the "Fund"), such Fund does not relate to a collective investment scheme which is authorised under section 286 of the SFA, Chapter 289 of Singapore or recognised under section 287 of the SFA. The Fund is not authorised or recognised by the MAS and shares in the Fund are not allowed to be offered to the retail public. Each of this document and any other document or material issued in connection with any potential offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of Prospectuss would not apply. You should consider carefully whether the investment is suitable for you.

This document has not been registered as a prospectus with the MAS. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares in the Fund may not be circulated or distributed, nor may shares in the Fund be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares in the Fund are subscribed or purchased under Section 305 by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares in the Fund pursuant to an offer made under Section 305 except: (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Hong Kong

This document has not and will not be registered as a prospectus in Hong Kong or authorized by the Hong Kong Securities and Futures Commission under the Hong Kong Securities and Futures Ordinance nor has its content been reviewed by any regulatory authority in Hong Kong.

Accordingly, unless permitted by the securities laws of Hong Kong, (i) in the case of the product being a share or debenture of a company, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are "Professional Investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) ("**Securities and Futures Ordinance**") and any rules made thereunder or in circumstances which do not result in the document being a "Prospectus" as defined in the Companies Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) in other cases, no person may issue or have in its possession for the purposes of issue, this document, or any advertisement, invitation or document relating to any securities, regulated investment agreement or collective investment scheme, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong, other than with respect to securities, regulated investment agreement or collective investment scheme which are intended to be disposed of only to persons outside Hong Kong or only to "Professional Investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

People's Republic of China

No Securities shall be offered or sold in the People's Republic of China (excl. Hong Kong and Macau, the "**PRC**") directly or indirectly. This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in the PRC to any person to whom it is unlawful to make such offer or solicitation in the PRC. The Issuer does not represent that this Base Prospectus may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC or pursuant to an exception available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a private placement or public offering of any Securities or distribution of this document in the PRC. Accordingly, no Securities may be offered or sold directly or indirectly, and neither this Base Prospectus nor any other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any

applicable laws and regulations.

Taiwan

The offering of the Securities has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant Securities laws and regulations of Taiwan and the Securities, including any copy of this offering statement or any other documents relating to the Securities, may not be offered, sold, delivered or distributed within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires the prior registration with or approval of the Financial Supervisory Commission of Taiwan. Taiwan Investors who subscribe and purchase the Securities shall comply with all relevant Securities, tax and foreign exchange laws and regulations in effect in Taiwan.

Indonesia

The Securities may not be offered or sold directly or indirectly, in Indonesia or to any resident or citizen of Indonesia in the manner which constitutes a public offering under the laws and regulations of Indonesia. This Base Prospectus may not be distributed in Indonesia or passed on in a manner which constitutes a public offering in Indonesia under the laws and regulations of Indonesia.

Malaysia

The offering made under this Base Prospectus does not constitute, and should not be construed as constituting an offer or invitation to subscribe for or purchase any Securities (including unlicensed capital market Securities as defined in the Malaysian Capital Markets and Services Act 2007) in Malaysia. Bank J. Safra Sarasin Ltd, by the dispatch of this Base Prospectus has not made available any Securities (including unlicensed capital market Securities as defined in the Malaysian Capital Markets and Services Act 2007) for subscription or purchase in Malaysia. This Base Prospectus is distributed in Malaysia for information purposes only. This Base Prospectus does not constitute, and should not be construed as offering or making available any Securities (including unlicensed capital market Securities as defined in the Malaysian Capital Markets and Services Act 2007) for purchase in Malaysia.

TAXATION IN SWITZERLAND

General

The Issuer excludes any liabilities in respect of tax implications. The following is a summary of the main tax consequences in relation to dealings with the Securities under this Base Prospectus. This summary is not exhaustive and does not take into consideration possible special circumstances of the Investors. The relevant tax laws or the regulation and the practice of the tax authorities are subject to change, possibly with retroactive effect. Prospective Investors should consult their own tax advisers, legal advisers or financial consultants with respect to the tax consequences of the purchase, disposition, lapse or exercise or redemption of the Securities regarding their personal tax situation.

The Final Terms may contain additional tax information, which is merely a non-binding summary of the Issuer's understanding of the taxation of the Securities under currently applicable law and the established practice of the Swiss Federal Tax Administration. In the event of any inconsistency between the Base Prospectus and the Final Terms, the Final Terms shall prevail.

All taxes, fees or levies that may arise in connection with the Securities (for example, on payment of the Redemption Amount) shall be borne in full by the Securityholder. The Issuer and/or the paying agent is entitled to charge any such taxes, fees or levies to the Securityholder and is permitted to do so, at its own discretion, either by including the amount in the calculation of the price of the Securities or by withholding an appropriate amount on redemption of the Securities or by other appropriate means. The Issuer shall not be liable for or otherwise obliged to pay, and the Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer or other relevant events in respect of the Securities held by the Securityholder.

Swiss Federal Withholding Tax (Swiss Federal Anticipatory Tax)

Payments on Securities issued by Bank J. Safra Sarasin Ltd which classify as interest are in general subject to Swiss Federal Withholding Tax. The tax is currently levied at a rate of thirty-five (35) per cent. The taxable amounts depend on the tax classification of the Security. Issue discounts, repayment premiums or payments reflecting accrued interest are taxable at redemption or maturity of the Security, as applicable.

Payments of interest on and repayments of the Outstanding Principal Amount of the Securities issued by Bank J. Safra Sarasin Ltd, Guernsey Branch are not subject to Swiss Federal Withholding Tax provided that the Issuer is recognised as a bank by the banking laws in force in Guernsey, constitutes a permanent establishment situated and effectively managed outside Switzerland and uses the proceeds from the offering and sale of the Securities at all times they are outstanding outside of Switzerland.

In case of Securities subject to the Swiss Federal Withholding Tax, the Securityholder resident in Switzerland who, at the time of the interest payment is due, is the beneficial owner of the taxable payment and holding the Security in its private assets and duly reports the gross payment of interest in his or her tax return or, in the case of a Securityholder who is a legal entity or an individual holding the Security in a business for which he or she is required to keep accounting books, includes such payment as earnings in its income statement, is in general entitled to a full refund or a full tax credit for the Swiss Federal Withholding Tax.

A Securityholder who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss Federal Withholding Tax by virtue of the provisions of an applicable double taxation treaty.

Swiss Federal Stamp Tax

Swiss Federal Stamp Tax is either levied as Swiss Swiss Federal Securities Transfer Tax and/or as Swiss Federal Securities Issuance Tax.

The issuance, the initial placement (“primary market placement”) and a trade of Securities classified as pure derivatives for Swiss tax purposes are generally not subject to Swiss Federal Securities Issuance Tax (“Emissionsabgabe”) or Swiss Federal Securities Transfer Tax (“Umsatzabgabe”). Exemptions may apply, for example to Securities which are considered debt financing Securities (bonds or money market instruments), share-like or fund-like Securities, as well as Low Exercise Price Options (“LEPOs”) on shares with an initial duration greater than one year. Such Securities are in general subject to Swiss Federal Security Transfer Tax in case of secondary market transactions and in some cases also for primary market transactions where a Swiss or Liechtenstein domestic bank or a Swiss or Liechtenstein domestic securities dealer (as defined in the Swiss stamp duty act) is a party, or acts as an intermediary, to the transaction (at a rate of 0.15% of the purchase price if the security has been issued by Bank J. Safra Sarasin Ltd or at a rate of 0.30% of the purchase price if issued by Bank J. Safra Sarasin Ltd, Guernsey Branch).

The cash redemption of the Securities is in general not subject to Swiss Federal Securities Transfer Tax. If upon the exercise or redemption of a Security an Underlying Asset is delivered to the Securityholder, the transfer of the Underlying Asset may be subject to Swiss Federal Securities Transfer Tax (i) of 0.15% in case of Underlying Asset which has been issued by a Swiss resident issuer, or (ii) of 0.30% in the case of a Underlying Asset which has been issued by an non Swiss resident issuer, provided in both cases that a Swiss securities dealer (“Effekthändler”), as defined in Article 13 para. 3 of the Swiss Federal Acts on Stamp Duties is a party to the Security transaction or act as an intermediary thereto.

Swiss Federal Income Taxation

(a) Income tax treatment for Securities held by Swiss resident as private assets

An individual resident in Switzerland and holding the Securities as private assets, is required to include all payments of interest received on such Security in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Security) for such tax period at the prevailing tax rates.

A capital gain realized on the sale or other disposition of Securities by such a person is in principle exempt from Swiss Federal, Cantonal and Communal Income Tax, and conversely, a capital loss non-deductible.

In general, the Swiss Federal income Tax treatment of Securities classified as structured financial instruments composed of a bond and one or more options or similar rights depends on whether or not for tax purposes (i) the bond and the option(s) or similar right(s) are bifurcated from each other and, hence, the Securities classify as transparent or non-transparent, and (ii) the yield-to-maturity of a Product predominantly derives from periodic interest payments or from a single interest

payment or, if there is more than one interest payment, from an original issue discount or a repayment premium, and, hence, the Security classifies as Security without a predominant one-time interest payment (sans intérêt unique prédominant or non-IUP) or Security with a predominant one-time interest payment (intérêt unique prédominant or IUP).

Transparent and Non-Transparent Securities

A Security classifies as *transparent* for tax purposes if the values of the embedded bond component and the embedded options or similar rights are disclosed separately from each other in the Final Terms, or, if this is not the case, if the Security is a standard Security and the values of the bond and the options or similar rights embedded therein can be determined analytically at any time by using conventional financial pricing models such as, for instance, the “bond floor pricing model” of the Swiss Federal Tax Administration, Berne (Switzerland). In this case only the payments relating to the bond component constitute taxable income and the payments relating to the embedded options or similar rights are tax-free.

Conversely, if the embedded bond is not disclosed separately from the embedded options or similar right(s) and if the conditions for analytic determination of the values of the embedded bond and the embedded options or similar rights, do not apply, or if embedded options or similar rights refer to interest rates, credit risk or inflation risk, the Security classifies as *Non-transparent* and any return over the initial investment classifies as taxable interest payment.

Transparent Securities without a “predominant one-time interest payment”

If the yield-to-maturity of transparent Securities predominantly derives from periodic interest payments and not from a one-time interest payment in form of an original issue price discount or a repayment premium all payments of interest on such Securities converted into Swiss francs at the exchange rate prevailing at the time of the payment, as the case may be, are required to be included in the personal income tax return form for the relevant tax period and will be taxable on any net taxable income (including the payments of interest on the Securities) for such tax period.

Transparent Securities with a “predominant one-time interest payment”

If the yield-to-maturity of transparent Security predominantly derives from a one-time interest payment in form of an original issue price discount or a repayment premium, and not from periodic interest payments, then any periodic interest payments of the Security as well as the difference between the value of the Security at sale or redemption and its value at issuance or purchase, as applicable, converted, in each case, into Swiss francs at the rate of exchange prevailing at the time of sale, redemption, issuance or purchase constitutes taxable income (in accordance to the Swiss Income Taxation scheme “reine Differenzbesteuerung” provided for in Article 20(1)(b) of the Federal Act of 14 December 1990 on Federal Direct Tax (Bundesgesetz über die direkte Bundessteuer, DBG). A value decrease on the Security realised on the sale or redemption of the Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all financial instruments with a (predominant) one-time interest payment.

Income tax treatment for Securities classified as ordinary derivative financial instruments

A capital gain realized by an individual resident in Switzerland on the sale or redemption of a Security which classifies as a genuine derivative financial instrument and which is held as part of the individual's private assets is a tax-free private capital gain. Conversely, a loss realized on the sale or redemption of such a Security is a non-tax-deductible private capital loss. Dividend equalization payments on such a Security constitute taxable investment income.

Income tax treatment of Securities classified as fund-like Securities

A Security which is classified as a fund interest or fund-like instrument will in general be considered

a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less attributable costs) realized on, the Underlying Assets, are reported and distributed separately. Under such conditions, an individual holding a Security which classifies as fund interest or fund-like instrument as part of his or her private assets is required to include in taxable income (which he or she must report annually) the dividend and interest distribution (in case the fund is distributing the income realized on the Underlying investments) or the dividend and interest credited in his favor (in case the fund is reinvesting the income realized on the investments) as derive from dividends and interest (less attributable costs) on the Underlying Instruments. Any distributions or credits relating to capital gain on the Underlying Assets constitute tax-free private capital gains and, conversely, any loss attributable a non-tax-deductible private capital loss. Gain realized on the sale of such a Security (including gains relating to dividends and interest accrued or paid inter-periodically on the Underlying Assets) is exempt from income taxation as a private capital gain, and, conversely, any loss is not tax-deductible.

(b) *Income tax treatment for Securities held as Swiss business assets*

Individuals who hold the Securities as part of a business in Switzerland, and Swiss-resident corporate taxpayers, and corporate taxpayers residing abroad holding the Securities as part of a Swiss permanent establishment or fixed place of business in Switzerland, are required to recognize payments of interest on, and any capital gain or loss realized on the sale or other disposal of, such Securities in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period at the prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, are classified as “professional Securities dealers” for reasons of, inter alia, frequent dealings, or leveraged transactions, in Securities.

Swiss Implementation of Automatic Exchange of Information in Tax Matters

The AEoI aims at preventing global tax evasion under the framework of the Common Reporting Standard (CRS) developed by the Organisation for Economic Co-operation and Development which provides the regulatory standard for the exchange of financial account information among participating countries.

Switzerland implemented the AEoI with effect from 1 January 2017 and by 2023 has concluded agreements to exchange information with about 110 so-called “partner countries”. The webpage “<https://www.sif.admin.ch/sif/en/home/multilateral-relations/exchange-information-tax-matters/automatic-exchange-information/financial-accounts.html>” provides an updated overview of all partner countries. Pursuant to the agreements, yearly reporting requirements are imposed on financial institutions in respect of certain account holders and controlling persons of entities resident in reportable jurisdictions. Reportable information includes personal and financial data collected during the previous calendar year.

GENERAL INFORMATION

Authorization

The establishment of the Base Prospectus and the issue of the Securities thereunder have been duly authorised by the competent representatives of Bank J. Safra Sarasin Ltd. Bank J. Safra Sarasin Ltd has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Securities.

Document Available

A printed copy of this Base Prospectus (as well as any document incorporated by reference into this Base Prospectus) and the Final Terms, once available, can be requested free of charge from the Financial Engineering department at the Head-office of Bank J. Safra Sarasin Ltd, P.O. Box, 4002 Basel, Switzerland. Telephone: +41 (0)58 317 4878 (please note: telephone calls with the Issuer may be recorded and by calling the number the caller consents to this business practice) or e-mail: derivatives@jsafrasarasin.com.

In addition, this Base Prospectus and the Final Terms, once available, are published on the Issuer's webpage: <http://derivatives.jsafrasarasin.com/>.

Post issuance information on Underlying Asset

The Issuer does not intend to, and will not, provide any post-issuance information in relation to the Underlying Asset (if any) and/or any issues of the Securities under this Base Prospectus, except if required by any applicable law or regulation or if indicated in the Final Terms.

Consent to use Base Prospectus

In accordance with Article 36 para. 4 lit. b FinSA, the Issuer consents, to the extent and under the conditions, if any, as specified in the applicable Final Terms, for the duration of the offer period specified in the applicable Final Terms, to the use of this Base Prospectus and the relevant Final Terms by any financial intermediary.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents related to Bank J. Safra Sarasin Ltd are hereby incorporated by reference into this Base Prospectus:

- 2022 annual financial statements of Bank J. Safra Sarasin Ltd for the business year from 1 January 2022 to 31 December 2022.
- Bank J. Safra Sarasin Ltd, Guernsey Branch (“Emittent”) Framework Agreement for Collateral-Secured Instruments (COSI)
- Bank J. Safra Sarasin Ltd (“Emittent”) Framework Agreement for Collateral-Secured Instruments (COSI)

All information incorporated by reference into this Base Prospectus can be obtained, free of charge, from the Issuer, Bank J. Safra Sarasin Ltd, P.O. Box, 4002 Basel, Switzerland, Telephone: +41 (0)58 317 4878 (please note: telephone calls with the Issuer may be recorded and by calling the number the caller consents to this business practice) or e-mail: derivatives@jsafrasarasin.com.

RESPONSIBILITY STATEMENT & SIGNATURES

Bank J. Safra Sarasin Ltd, having its registered head office at Elisabethenstrasse 62, 4002 Basel, Switzerland (the “Issuer”) which may also be acting through its Guernsey branch, assumes responsibility for the content of this Base Prospectus and confirms that information contained in this Base Prospectus is, to the best of its knowledge, correct and that, to the best of its knowledge, no material facts or circumstances have been omitted from this Base Prospectus as of the date of this Base Prospectus.

Signed on behalf of the Issuer:
(Date: August 24, 2023)

Bank J. Safra Sarasin Ltd
(Basel)

Name:
Title:

Name:
Title:

Further Information:
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E-mail: derivatives@jsafrasarasin.com

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Channel Islands

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SIX SWISS EXCHANGE LISTING AGENT

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