

**CREDIT SUISSE AG**

*(incorporated with limited liability in Switzerland)*

**“PARTICIPATION-NOTES”****Programme for the issue of  
Underlying-linked Securities****This Prospectus**

This document is a base prospectus (the “**Base Prospectus**”) for the issuance of securities (the “**Securities**”) under the Programme for the issue of Underlying-linked Securities (the “**Programme**”) by Credit Suisse AG (“**CS**”), acting through its Nassau Branch (the “**Issuer**”).

This Base Prospectus is prepared for the purposes of Article 5.4 of Directive 2003/71/EC as amended (the “**Prospectus Directive**”) and for the purpose of giving information relating to the Issuer which is necessary to enable investors (the “**Investors**”) to make an informed assessment of the assets and liabilities, financial position, profits, losses and prospects of the Issuer, and of the rights attaching to securities issued under this Base Prospectus.

This Base Prospectus is valid for one year and may be supplemented from time to time by the publication of a “**Supplement**” to reflect any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus. It should be read together with (i) any Supplements to it, (ii) any other documents incorporated by reference into it and (iii) in relation to any particular Securities, the Final Terms (as defined below) relating to those Securities. This Base Prospectus replaces the Base Prospectus dated 27 June 2012. This Base Prospectus does not affect any existing securities issued by the Issuer, or any future securities issued by the Issuer under a different prospectus.

In respect of any series of Securities, this Base Prospectus will be supplemented and completed by a final terms document containing economic and other terms specific to that series (“**Final Terms**”).

**Securities**

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

- may have any maturity;
- will bear interest at either a fixed rate or a floating rate;
- may pay premium on top of the interest payable;
- may redeem at maturity or, following the occurrence of certain events or the exercise of an early redemption option by either the Issuer or the securityholder (the “**Securityholder**”) (if such an option is provided for in the Final Terms), beforehand;
- will redeem at an amount determined by a formula referencing the performance of one or more equity shares or equity indices (the “**Reference Underlyings**”) or, if provided for in the Final Terms, by the delivery by Issuer to Securityholder of a certain number of certain other specified securities in lieu of such amount; and

- may pay distribution amounts linked to certain distributions made by the issuers of Reference Underlyings that are equity shares.

### **Terms and Conditions**

This Prospectus contains, among other things, the legal terms and conditions relating to the Securities, which include the following:

- (a) general terms that apply to all Securities (referred to as the “General Terms and Conditions of the Securities”, on pages 89 to 129); and
- (b) if the Reference Underlying(s) relating to the Securities is/are equity shares (such Securities, “**Equity Linked Securities**”), terms specific to Equity Linked Securities (referred to as “Schedule 1: Provisions Relating to Equity Linked Securities”, on pages 130 to 142); or
- (c) if the Reference Underlying relating to the Securities is an equity index (such Securities, “**Index Linked Securities**”), terms specific to Index Linked Securities (referred to as “Schedule 2: Provisions Relating to Index Linked Securities”, on pages 143 to 147).

All the sections of the terms and conditions contained in this Prospectus taken together are referred to as the “**Conditions**”.

Specific details of a series of Securities, such as amounts, dates, rates and the application (or disapplication) of certain base conditions will be set out in the applicable Final Terms for those Securities.

### **Risks**

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Base Prospectus, on pages 27 to 52. This Base Prospectus describes all of the principal and material risks of an investment in the Securities that have been identified by the Issuer.

## IMPORTANT NOTICES

The Issuer may issue Securities through its Nassau Branch on the terms set out in this Base Prospectus and in the relevant Final Terms. Investors should be aware that certain tax and regulatory consequences may follow from issuing Securities through the Nassau Branch, including whether payments on the Securities are subject to withholding tax: see the section headed "*Taxation*" below. The Nassau Branch is subject to certain Bahamas regulatory requirements and rules, breach of which may result in regulatory sanction and, possibly, investor claims. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity and that, in respect of any Securities issued by CS, obligations under such Securities are those of CS only, and investors' claims under such Securities are against CS only, notwithstanding the branch through which it will have issued such Securities.

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

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as the Luxembourg competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the "**Luxembourg Prospectus Law**"). This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities to be issued by CS.

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

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

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

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

Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Securities may be issued under the Programme which are not listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange or any other stock exchange or market or Securities may be issued which are listed or admitted to trading, as the case may be, on such other stock exchange or markets (such as the Irish Stock Exchange) as the Issuer may decide.

### **No investment advice**

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of Credit Suisse (Hong Kong) Limited, Credit Suisse Securities (Europe) Limited in their capacities as dealers and any other dealers appointed by the Issuer from time to time (the “Dealers”) that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Securities.

### **Reference Underlyings**

The applicable Final Terms will contain information relating to one or more Reference Underlyings to which the relevant Securities relate. Such Final Terms relate only to the Securities offered thereby and do not relate to the Reference Underlyings or the issuer, owner or sponsor, as the case may be, of such Reference Underlyings. All disclosures contained in the applicable Final Terms regarding the Reference Underlyings and the issuer, owner or sponsor, as the case may be, of such Reference Underlyings are derived from publicly available documents and other publicly available information. None of the Issuer or any of its affiliates has participated in the preparation of such documents or made any due diligence inquiry with respect to the issuer, owner or sponsor, as the case may be, of the Reference Underlyings. None of the Issuer or any of its affiliates makes any representation that such publicly available documents or any other publicly available information regarding the issuer, owner or sponsor, as the case may be, of the Reference Underlyings are accurate or complete, and are not responsible for public disclosure of information by such issuer, owner or sponsor, as the case may be, whether contained in filings with the Securities and Exchange Commission or otherwise. Furthermore, none of the Issuer or any of its affiliates can give any assurance that all events occurring prior to the date of the applicable Final Terms, including events that would affect the accuracy or completeness of the public filings of the issuer, owner or sponsor, as the case may be, of the Reference Underlyings or the market price of the Reference Underlyings, have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the issuer, owner or sponsor, as the case may be, of the Reference Underlyings could affect the amount you will receive at maturity of the Securities and, therefore, the trading prices of the Securities. Any prospective purchaser of the Securities should undertake an independent investigation of the issuer, owner or sponsor, as the case may be, of the Reference Underlyings as in its judgment is appropriate to make an informed decision with respect to an investment in the Securities.

The Issuer and/or any of its affiliates may presently or from time to time engage in business with the issuer, owner or sponsor, as the case may be, of the Reference Underlyings, including extending loans to, or making equity investments in, or providing advisory services to such issuer, owner or sponsor, including merger and acquisition advisory services. In the course of such business, the Issuer and/or any of its affiliates may acquire non-public information with respect to the issuer, owner or sponsor, as the case may be, of the Reference Underlyings and, in addition, the Issuer and/or one or more of its affiliates may publish research reports with respect to such issuer, owner or sponsor.

### **Fair treatment of investors**

In making discretionary determinations under the Conditions of the Securities, the Issuer may take into account the impact of a determination on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of the Securities and could result in their early redemption.

In order to ensure that its ongoing exposure to the potential payment obligations under the Securities is appropriately managed, the Issuer (directly or through an affiliate) may (but is not obliged to) enter into hedging arrangements to cover off some or all of its exposure. The ability to enter into hedging arrangements is typically a fundamental risk management pre-requisite in enabling the Issuer to create the Securities and impacts the price at which the Issuer is able to offer the Securities.

Accordingly, in the exercise of its various discretionary determinations under the Terms and Conditions of the Securities, the relevant Issuer may take into account the impact on its hedging arrangements for the Securities – whether to determine if an event has occurred (e.g. a "Hedging Disruption Event" or "Extraordinary Event" or other analogous event under the relevant Schedule) or what the consequences of such event should be (e.g. adjustment to the Conditions of the Securities or early redemption of the Securities).

In making any discretionary determinations under the Conditions of the Securities, the Issuer shall act at all times in good faith and (unless otherwise specified with regard to the particular determination) in a commercially reasonable manner. Further, the Issuer shall take into account the effect of such determination on the Securities and consider whether the fair treatment of Investors is achieved by such determination in accordance with its regulatory obligations. Nevertheless, for the reasons discussed above, the Issuer may take into account the impact of the particular event on the relevant hedging arrangements, and any such discretionary determination could result in the Securities losing some or all of their value and/or early redemption of the Securities.

### **Documents incorporated by reference**

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section headed “*Documents Incorporated by Reference*” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

### **Responsibility statement**

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

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any Investor in the Securities of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Securities.

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

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

The consent shall be valid in relation to Luxembourg and Ireland, provided that it shall be a condition of such consent that this Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offers of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

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

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

Other than in accordance with the terms set forth in the paragraph above, the Issuer has not authorised (and neither has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this Base

Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the Issuer (or any Dealer) and neither the Issuer nor any Dealer has any responsibility or liability to any Investor purchasing Securities pursuant to such offer or for the actions of any person making such offer.

**Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the Investor, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to the Investor by that Authorised Offeror. Neither the Issuer nor any Dealer has any responsibility or liability for such information.**

#### **No other information**

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

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

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

#### **Ratings**

CS has, and issues of Securities by CS under the Programme having a maturity of one year or more have, been rated A<sup>1</sup> by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), A<sup>2</sup> by Fitch Italia S.P.A. ("**Fitch Italy**") and A1<sup>3</sup> by Moody's Investors Service, Inc. ("**Moody's Inc**"). Each of S&P and Fitch Italy is established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended by Regulation (EU) No 513/2011 and Regulation (EC) No 462/2013 (the "**CRA Regulation**") as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**") – <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Moody's Inc is not established in the European Union and has not applied for registration under the CRA Regulation. In general, and subject to certain exceptions (including the exception outlined below), European regulated investors are restricted from using a credit rating for regulatory purposes if such a credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

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**Notes on Issuer ratings:** The information in these footnotes has been extracted from information made available by each rating agency referred to below.

- <sup>1</sup> An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.
- <sup>2</sup> An 'A' rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
- <sup>3</sup> Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Subject to the fulfillment of the conditions set out in Article 4(3) of the CRA Regulation, a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (an "EU CRA") may endorse (for regulatory purposes in the European Union) credit ratings issued outside the European Union where (i) the credit rating activities resulting in the issuing of the credit rating are undertaken in whole or in part by a credit rating agency or credit rating agencies belonging to the same group (a "non-EU CRA"); and (ii) the EU CRA has verified and is able to demonstrate on an ongoing basis to ESMA that the conduct of the credit rating activities by the non-EU CRA resulting in the issuing of the credit rating to be endorsed fulfils requirements which are "at least as stringent as" the requirements of the CRA Regulation. On 15 March 2012, ESMA announced that it considers the regulatory framework for credit rating agencies in the United States to be "as stringent as" the requirements of the CRA Regulation. Moody's Investors Service Limited (which has been registered under the CRA Regulation and appears on the list of registered credit rating agencies on ESMA's web site – <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) currently endorses credit ratings issued by Moody's Inc for regulatory purposes in the European Union. There can be no assurance that Moody's Investors Service Limited will continue to endorse credit ratings issued by Moody's Inc.

Securities issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Securities is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

### **ISDA Definitions**

Where any interest and/or coupon amount payable under the Securities is calculated by reference to an ISDA Rate (as defined in Condition 3(c)(ii) below), investors should consult the Issuer if they require an explanation of such ISDA Rate.

### **Transfer and selling restrictions**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in, the European Economic Area, Hong Kong Special Administrative Region ("**Hong Kong**"), Republic of India ("**India**"), Republic of Indonesia ("**Indonesia**"), Korea, Malaysia, Pakistan, the People's Republic of China (excluding Hong Kong, Macau and Taiwan) ("**PRC**"), Kingdom of Saudi Arabia ("**Saudi Arabia**"), Singapore, Switzerland, Republic of China ("**Taiwan**"), the United Kingdom, the United States and Vietnam, see section of the Base Prospectus below entitled "*Transfer and Selling Restrictions*".

PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD ENSURE THAT THEY UNDERSTAND THE NATURE OF THE SECURITIES AND THE EXTENT OF THEIR EXPOSURE TO RISK AND THAT THEY CONSIDER THE SUITABILITY OF THE SECURITIES AS AN INVESTMENT IN THE LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITION. PROSPECTIVE PURCHASERS SHOULD CONDUCT THEIR OWN INVESTIGATIONS AND, IN DECIDING WHETHER OR NOT TO

PURCHASE SECURITIES, SHOULD FORM THEIR OWN VIEWS OF THE MERITS OF AN INVESTMENT RELATED TO ANY REFERENCE UNDERLYING BASED UPON SUCH INVESTIGATIONS AND NOT IN RELIANCE UPON ANY INFORMATION GIVEN IN THIS DOCUMENT.

PROSPECTIVE PURCHASERS OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH THEY PURCHASE, OFFER OR SELL SUCH SECURITIES OR POSSESS OR DISTRIBUTE THIS BASE PROSPECTUS AND MUST OBTAIN OR COMPLY WITH ANY CONSENT, APPROVAL, PERMISSION OR REPORTING REQUESTS REQUIRED OF THEM FOR THE PURCHASE, OFFER OR SALE BY THEM OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH THEY ARE SUBJECT OR IN WHICH THEY MAKE SUCH PURCHASES, OFFERS OR SALES AND NEITHER THE ISSUER NOR ANY OF ITS AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS TO BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SECURITIES.

### **U.S. INFORMATION**

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")).

THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S OF THE SECURITIES ACT OF 1933 AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE SECURITIES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF SECURITIES AND DISTRIBUTION OF THIS BASE PROSPECTUS SEE "TRANSFER AND SELLING RESTRICTIONS".

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.



## AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any Securities are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains or incorporates by reference statements that constitute forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 and Section 21E of the Exchange Act. In addition, in the future the Issuer, and others on its behalf, may make statements that constitute forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus are forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the plans, objectives or goals of the Issuer and its related group of companies (the "**Group**"); the Group's future economic performance or prospects; the potential effect on the Group's future performance of certain contingencies; and assumptions underlying any such statements.

Words such as "believes", "anticipates", "expects", "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (a) the ability to maintain sufficient liquidity and access capital markets; (b) market and interest rate fluctuations; (c) the strength of the global economy in general and the strength of the economies of the countries in which the Group conducts operations, in particular the risk of a continued U.S. or global economic downturn in 2013 and beyond; (d) the direct and indirect impacts of continuing deterioration of or slow recovery in residential and commercial real estate markets; (e) adverse rating actions by credit rating agencies in respect of sovereign issuers, structured credit products or other credit-related exposures; (f) the Group's ability to achieve its strategic objectives, including improved performance, reduced risk, lower costs and more efficient use of capital; (g) the ability of counterparties to meet their obligations to the Group; (h) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (i) political and social developments, including war, civil unrest or terrorist activity; (j) the possibility of foreign exchange controls, expropriation, nationalisation or confiscation of assets in countries in which the Group conducts operations; (k) operational factors such as systems failure, human error, or the failure to implement procedures properly; (l) actions taken by regulators with respect to the Group's business and practices in one or more of the countries in which the Group conducts operations; (m) the effects of changes in laws, regulations or accounting policies or practices; (n) competition in geographic and business areas in which the Group conducts operations; (o) the ability to retain and recruit qualified personnel; (p) the ability to maintain the Group's reputation and promote the Group's brands; (q) the ability to increase market share and control expenses; (r) technological changes; (s) the timely development and acceptance of the Group's new products and services and the perceived overall value of these products and services by users; (t) acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (u) the adverse resolution of litigation and other contingencies; (v) the ability to achieve the Group's cost efficiency goals and other cost targets; and (w) the Group's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive. These forward-looking statements speak only to the date of this Base Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's or

the Group's expectations with regard thereto or any change in circumstances on which any such statement is based.

When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

### **General**

In this Base Prospectus references to "**Swiss francs**", "**SFR**", "**Sfr**", and "**CHF**" are to the lawful currency for the time being of Switzerland. In addition, all references to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended and all references to "**U.S. dollars**", "**USD**", "**U.S.\$**" and "**US\$**" are to the lawful currency for the time being of the United States. References to a "**Member State**" are references to a Member State of the European Economic Area.

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## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are set out in sections A to E below (and numbered A.1 – E.7).

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

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

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and Warnings</b>	This summary must be read as an introduction to this Prospectus. Any decision to invest in the Securities should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.
<b>A.2</b>	<b>Consent(s)</b>	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "<b>Non-exempt Offer</b>"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("<b>Authorised Offeror(s)</b>"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of Authorised Offeror(s): [Not applicable; the Securities are not to be the subject of a Non-exempt Offer] [give details]</p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): [Not applicable; the Securities are not to be the subject of a Non-exempt Offer] [give details]</p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): [Not applicable; the Securities are not to be the subject of a Non-exempt Offer] [give details].</p> <p><b>If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror. Neither the Issuer nor any Dealer has any responsibility or liability for such information.]</b></p> <p>[The Issuer does not consent to the use of the Base Prospectus by any person other than the Dealer.]</p>
<b>Section B - Issuer</b>		
<b>B.1</b>	<b>Issuer</b>	Credit Suisse AG (“CS”), acting through its Nassau Branch.
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer:</b>	CS is a Swiss bank and joint stock corporation established under Swiss law on 5 July 1856. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.

<b>B.4b</b>	<b>A description of any known trends affecting the Issuer and the industries in which it operates</b>	Not Applicable: there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for its current financial year.																																																		
<b>B.5</b>	<b>Description of the Group and the Issuer's position within the Group</b>	CS is a Swiss bank and a wholly owned subsidiary of Credit Suisse Group AG ("CSG"), a global financial services company.																																																		
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not Applicable: no profit forecasts or estimates have been made in the Base Prospectus.																																																		
<b>B.10</b>	<b>Audit report qualifications</b>	Not Applicable: no qualifications are contained in any audit or review report included in the Base Prospectus.																																																		
<b>B.12</b>	<p><b>Selected key financial information</b></p> <p>The tables below set out summary information derived from and should be read in conjunction with the audited consolidated financial statements of CS as of 31st December 2012 and 2011, and for each of the years in the three-year period ended 31st December 2012:</p> <p><i>Statement of Operations</i></p> <table border="1"> <thead> <tr> <th>Year ended 31st December (CHF million)</th> <th>2012</th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Net revenues .....</td> <td>23,533</td> <td>25,187</td> <td>30,533</td> </tr> <tr> <td>Provision for credit losses .....</td> <td>88</td> <td>123</td> <td>(121)</td> </tr> <tr> <td>Total operating expenses .....</td> <td>21,472</td> <td>22,563</td> <td>24,118</td> </tr> <tr> <td>Income from continuing operations before taxes .....</td> <td>1,973</td> <td>2,501</td> <td>6,536</td> </tr> <tr> <td>Income from continuing operations .....</td> <td>1,495</td> <td>2,042</td> <td>5,229</td> </tr> <tr> <td>Net income .....</td> <td>1,495</td> <td>2,042</td> <td>5,210</td> </tr> <tr> <td>Net income attributable to shareholder .....</td> <td>2,095</td> <td>1,141</td> <td>4,408</td> </tr> </tbody> </table> <p><i>Balance Sheet</i></p> <table border="1"> <thead> <tr> <th>(CHF million)</th> <th>31st December 2012</th> <th>31st December 2011</th> </tr> </thead> <tbody> <tr> <td>Total assets .....</td> <td>908,160</td> <td>1,034,787</td> </tr> <tr> <td>Total liabilities .....</td> <td>865,999</td> <td>996,436</td> </tr> <tr> <td>Total shareholder's equity .....</td> <td>34,767</td> <td>29,403</td> </tr> <tr> <td>Total equity .....</td> <td>42,161</td> <td>38,351</td> </tr> <tr> <td>Total liabilities and equity .....</td> <td>908,160</td> <td>1,034,787</td> </tr> </tbody> </table> <p><i>Statements of no significant or material adverse change</i></p> <p>There has been no significant change in the financial position of CS since 30th June 2013 and there has been no material adverse change in the prospects of CS since 31st December 2012.</p>		Year ended 31st December (CHF million)	2012	2011	2010	Net revenues .....	23,533	25,187	30,533	Provision for credit losses .....	88	123	(121)	Total operating expenses .....	21,472	22,563	24,118	Income from continuing operations before taxes .....	1,973	2,501	6,536	Income from continuing operations .....	1,495	2,042	5,229	Net income .....	1,495	2,042	5,210	Net income attributable to shareholder .....	2,095	1,141	4,408	(CHF million)	31st December 2012	31st December 2011	Total assets .....	908,160	1,034,787	Total liabilities .....	865,999	996,436	Total shareholder's equity .....	34,767	29,403	Total equity .....	42,161	38,351	Total liabilities and equity .....	908,160	1,034,787
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<b>B.13</b>	<b>Recent material events particular to Issuer relevant to Issuer's solvency</b>	Not Applicable: there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.																																																		
<b>B.14</b>	<b>Dependence upon other group entities</b>	CS is not dependent upon other members of its group.																																																		
<b>B.15</b>	<b>Issuer's principal activities</b>	The principal activities of CS are the provision of financial services in the areas of private banking, investment banking and asset management.																																																		

<b>B.16</b>	<b>Ownership and control of the Issuer</b>	CS is a wholly owned subsidiary of CSG.
<b>B.17</b>	<b>Credit ratings assigned to the Issuer's long-term debt securities</b>	CS has been issued a senior unsecured long-term debt rating of "A+ (Negative Outlook)" by Standard & Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Stable Outlook)" by Moody's Inc.

<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and class of securities</b>	<p>The Securities may be issued in series (“<b>Series</b>”) having identical terms (or identical other than in respect of certain dates) and are intended to be interchangeable with all other Securities of that same Series. Each Series of Securities may be issued in tranches (“<b>Tranches</b>”) bearing identical terms other than the Issue Price and nominal amount of the Tranche, the specific terms of which will be completed in the relevant Final Terms.</p> <p>[The Securities are [[Equity-linked] [Index-linked]] [[Participation] [Outperformance]] Securities. Please see elements C.15 and C.18 below for further explanation of this type of Securities.] <i>[Securities linked to the performance of a Reference Underlying will either be Equity Linked or Index Linked; and will either be Participation or Outperformance. Delete as applicable for specific issues. Delete entire paragraph if the Securities have a fixed Final Redemption Amount.]</i></p> <p>[The Securities have a fixed Final Redemption Amount. Please see element C.9 below for further explanation of this type of Securities.] <i>[Include paragraph if the Securities have a fixed Final Redemption Amount. Delete entire paragraph if the Securities are linked to the performance of a Reference Underlying.]</i></p> <p>The Securities are issued in registered form and represented by a global security. The holdings of Securityholders are evidenced by certificates.</p> <p>The Securities of a Series will be uniquely identified by:  ISIN Code: [●]  Common Code: [●]</p>
<b>C.2</b>	<b>Currencies</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Securities under the Programme may be denominated in any currency or units of exchange and settled in any deliverable currency.</p> <p>The Securities are denominated in [●] (referred to as the Specified Currency) and will be settled in [●].</p>
<b>C.5</b>	<b>Description of restrictions on the free transferability of the Securities</b>	<p>There are restrictions on the offer, sale and transfer of the Securities in the European Economic Area, Hong Kong, India, Indonesia, Korea, Malaysia, Singapore, Pakistan, the PRC, Saudi Arabia, Switzerland, Taiwan, the United Kingdom, the United States, Vietnam and such other restrictions as may be specified in the Final Terms.</p> <p>No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p>
<b>C.8</b>	<b>Description of the rights attaching to the Securities</b>	<p><b>Rights:</b> The Securities may give each Securityholder the right to receive interest on the Securities.</p> <p>[The principal sum at which the Securities will be redeemed will be linked to the performance of one or more Reference Underlyings (see Element C.18 below).] <i>[Include paragraph if the Securities are linked to the performance of one or more Reference Underlying(s); delete paragraph if the Securities have a fixed Final Redemption Amount.]</i></p> <p>[A Securityholder may redeem the Securities early by giving notice (referred to as an Early Redemption Notice) to the Issuer. If a Securityholder exercises this option, its Securities will be redeemed at an amount referred to as the Early Redemption Amount, which is calculated in the same way as the Final Redemption Amount (see Element [C.9][C.18] below), but at a date that is earlier than the scheduled maturity of the Securities (referred to as the Early Redemption Date).] <i>[Include if “Investor Put” is applicable. Include cross-reference to C.9 if there is a fixed Final Redemption Amount; include cross-reference to C.18 if the</i></p>

		<p><i>Securities are linked to the performance of one or more Reference Underlying(s).]</i></p> <p>The Securities will also give each Securityholder the right to vote on certain amendments.</p> <p><b>Status and ranking:</b> The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.</p> <p><b>Limitations to Rights:</b></p> <ul style="list-style-type: none"> <li>• The Issuer may redeem the Securities early for illegality reasons, taxation reasons or on account of certain events affecting the Issuer's hedging arrangements or the Reference Underlying(s) (and if the Securities are linked to more than one Reference Underlying in a basket, such events affecting some but not all such Reference Underlyings, or the Issuer's hedging arrangements in respect of them, the Issuer may redeem the Securities early in part). If any such events occur, the Securities will be redeemed at an amount referred to as the Early Redemption Amount, [which is specified in Element C.9 below][which is calculated in the same way as the Final Redemption Amount (see Element C.18 below)], but at a date that is earlier than the scheduled maturity of the Securities (referred to as the Early Redemption Date). In respect of events affecting the Issuer's hedging arrangements or the Reference Underlying(s), the Issuer may suspend its obligations in respect of the Securities for up to 45 calendar days prior to such early redemption. <i>[Include cross reference to C.9 if there is a fixed Final Redemption Amount; include cross reference to C.18 if Securities are linked to the performance of Reference Underlying(s);]</i></li> <li>• [The Issuer may redeem the Securities early by giving notice (referred to as an Early Redemption Notice) to the Securityholders. If the Issuer exercises this option, its Securities will be redeemed at an amount referred to as the Early Redemption Amount, which is calculated in the same way as the Final Redemption Amount (see Element C.18 below), but at the Early Redemption Date.] <i>[Include if "Issuer Call" is applicable.]</i></li> <li>• Redemption of the Securities (whether at maturity or on an Early Redemption Date) may be delayed by up to 45 calendar days if certain events affecting the Reference Underlying(s) and/or the Issuer's hedging arrangements occur (referred to as Redemption Disruption Events). If a Redemption Disruption Event persists for more than 45 calendar days, an agent specified in the relevant Final Terms as the Calculation Agent shall use its good faith discretion to determine the relevant Final Redemption Amount or Early Redemption Amount, as applicable.</li> <li>• The Issuer may adjust the terms and conditions of the Securities without the consent of investors following certain adjustment events or other events affecting the Issuer's hedging arrangements or the Reference Underlyings(s).</li> <li>• The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all Securityholders, whether or not they attended such meeting or voted for or against it. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders.</li> <li>• The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any company with which it consolidates, into which it merges or to which it sells all or substantially all its property.</li> </ul> <p><b>Governing Law:</b></p> <p>The Securities are governed by English law.</p>
C.9	<p><b>Interest, maturity and redemption provisions, yield and</b></p>	<p><i>[Include Element C.9 only if there is a fixed Final Redemption Amount; delete if Securities are linked to the performance of one or more Reference Underlying(s) (in which case covered by C.18)]</i></p> <p>Please see also Element C.8 above.</p> <p><b>Interest</b></p> <p><i>[The Securities shall not bear interest.] [include for Securities whose Final Terms state that both the Fixed</i></p>

<p><b>representative of the Security-holders</b></p>	<p><i>Rate Securities Provisions and the Floating Rate Securities Provisions are “Not Applicable”.]</i></p> <p><i>Fixed Rate Securities</i></p> <p>[The Securities are not fixed rate Securities.][<i>include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Not Applicable”.]</i></p> <p>[The Securities are fixed rate Securities. The Securities shall bear interest [at the rate of [●] per cent. per annum][at rates of [<i>insert more than one different fixed rate</i>] per cent. per annum in respect of the [[●],[●] and [●]] interest periods respectively] and interest will accrue on the outstanding nominal amount of the Securities from, and including, the Interest Commencement Date specified in the Final Terms, such interest being payable in arrear on each Interest Payment Date. The Interest Payment Date(s) will be [●].] [<i>include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable” and where one or more Rate of Interest is specified in the Final Terms</i>]</p> <p>[The Securities are fixed rate Securities. The Securities shall bear interest [at an Interest Amount of [●] payable on each Interest Payment Date][at Interest Amounts of [<i>specify more than one different Interest Amount</i>] payable in respect of the [[●],[●] and [●]] interest periods respectively]. The Interest Payment Date(s) will be [●].] [<i>include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable” and where one or more Interest Amount is specified in the Final Terms</i>]</p> <p>[The yield is [●], calculated at the issue date on the basis of the issue price, and is not an indication of future yield.] [<i>include for all Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable”</i>]</p> <p><i>Floating Rate Securities</i></p> <p>[The Securities are not floating rate Securities.][<i>include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Not Applicable”.]</i></p> <p>[The Securities are floating rate Securities. The Securities shall bear interest on the basis of [[<i>specify the floating rate option</i>] with a designated maturity of [<i>specify designated maturity</i>] [[+/-] [<i>specify Margin</i>] per cent. per annum][a percentage rate per annum calculated as [<i>specify Rate Multiplier</i>] multiplied by [<i>specify the floating rate option</i>] with a designated maturity of [<i>specify designated maturity</i>] on [<i>screen page</i>]] [subject to [a maximum rate of [●] per cent. per annum ][and] a minimum rate of [●] per cent. per annum] and interest will accrue from, and including, the Interest Commencement Date, such interest being payable in arrear on each Interest Payment Date.] [<i>include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable”</i>]</p> <p>[The Interest Payment Date(s) will be [●].] [<i>include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable” and where Specified Interest Payment Dates are specified in the Final Terms.</i>]</p> <p>[The first Interest Payment Date will fall [<i>specify interest period</i>] after the Interest Commencement Date and each subsequent Interest Payment Date will fall [<i>specify interest period</i>] after the preceding Interest Payment Date.] [<i>include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable” and where Interest Periods are specified in the Final Terms.</i>]</p> <p><b>Premium</b></p> <p>The Securities shall pay premium [[at the rate of [●] per cent. per annum][at rates of [<i>insert more than one different fixed rate</i>] per cent. per annum in respect of the [[●],[●] and [●]] premium periods respectively]] [[at a Premium Amount of [●] payable on each Interest Payment Date][at Premium Amounts of [<i>specify more than one different Premium Amount</i>] payable in respect of the [[●],[●] and [●]] premium periods respectively]. [<i>Include if Premium is applicable</i>]</p> <p><b>Maturity</b></p> <p>Subject to compliance with all relevant laws, regulations and directives, Securities issued under the Programme may have any maturity.</p> <p>The Maturity Date of the Securities is [●].</p>
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		<p><b>Redemption</b></p> <p>The Securities will be redeemed at a fixed Final Redemption Amount. The Final Redemption Amount is [●]. If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at a fixed Early Redemption Amount. The Early Redemption Amount is [●].</p> <p><b>Representative</b></p> <p>There is no representative of the Securityholders. Securityholders must represent themselves, or appoint an appropriate agent to represent them, at meetings of Securityholders.</p>
C.10	<b>Derivative component in the interest payment</b>	<p>There is no derivative component involved in the calculation of the interest payments (if any) described in [Element C.9 above][Element C.18 below]: such payments are not linked to the performance of the Reference Underlying(s). <i>[Include cross reference to C.9 if there is a fixed Final Redemption Amount; include cross reference to C.18 if Securities are linked to the performance of Reference Underlying(s)]</i></p>
C.11	<b>Listing and admission to trading</b>	<p>[Application has been made to list the Securities on [the Luxembourg Stock Exchange]/[specify other exchange] and admit the Securities to trading on [the regulated market of the Luxembourg Stock Exchange]/[other exchange].]</p> <p>[The Securities will not be listed or admitted to trading on any exchange]</p>
C.15	<b>Effect of the underlying instrument - (s) on value of investment</b>	<p>[The value of the Securities will depend on the performance of the share, warrant, convertible bond or exchange-traded fund unit that is specified in the applicable Final Terms as the Reference Underlying. The Securities are referred to as Equity Linked Securities.] <i>[Include for Equity Linked Securities relating to a single Reference Underlying]</i></p> <p>[The value of the Securities will depend on the performance of the shares, warrants, convertible bonds or exchange-traded fund units that are specified in the applicable Final Terms as Basket Components. The Securities are referred to as Equity Linked Securities.] <i>[Include for Equity Linked Securities relating to a basket of Reference Underlyings]</i></p> <p>[The value of the Securities will depend on the index specified in the Final Terms as the Reference Underlying. The Securities are referred to as Index Linked Securities.] <i>[Include for Index Linked Securities.]</i></p> <p>[The redemption value of the Securities will depend on the relevant reference price or level of the Reference Underlying(s) on the relevant valuation dates, adjusted for any foreign exchange rate where the currency of the Reference Underlying(s) is different from the Specified Currency. The Securities are referred to as Participation Securities because they directly reflect the performance of the Reference Underlying(s). If the value of the Reference Underlying(s) declines, the redemption value of the Securities will decline proportionately, and will decline to zero if the value of Reference Underlying(s) declines to zero.] <i>[Include for Participation Securities.]</i></p> <p>[The redemption value of the Securities will depend on two elements: (i) the relevant reference price or level of the Reference Underlying(s) on the relevant valuation dates, adjusted for any foreign exchange rate where the currency of the Reference Underlying(s) is different from the Specified Currency, and (ii) the performance of the Reference Underlying(s) throughout the term of the Securities by way of the daily measurement of an amount referred to as the Daily Outperformance, the sum of which for all days during the term of the Securities is calculated and included in the redemption value. The effect of the inclusion of the second element is that the redemption value of the Securities will be protected to a certain extent if the price or level of the Reference Underlying(s) is lower on the Valuation Date than on the Trade Date, because the price or level on previous days during the term of the Securities will be taken into account. If the price or level of the Reference Underlying(s) on the Valuation Date is higher than on the Trade Date, the second element will increase the redemption value of the Securities further. However, despite the second element, if the value of the Reference Underlying(s) declines, the redemption value of the Securities will also decline, and if the value or the Reference Underlying(s) declines to zero the redemption value of the Securities may also decline to zero or near to it. The Securities are referred to as Outperformance Securities.] <i>[include for</i></p>

		<p><i>Equity Linked Securities that are Outperformance Securities]</i></p> <p>[The redemption value of the Securities will depend on relevant level of the Index on the relevant valuation dates. If the value of the Reference Underlying(s) declines, the redemption value of the Securities will decline proportionately, and will decline to zero if the value of Reference Underlying(s) declines to zero.]</p> <p><i>[include for Index Linked Securities that are Outperformance Securities.]</i></p>
<b>C.16</b>	<b>Expiration/ maturity date of derivative</b>	The Maturity Date of the Securities is [●].
<b>C.17</b>	<b>Settlement procedure for derivative securities</b>	<p>The Securities will be delivered by the issuer against payment of the issue price. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>[The Securities are cash-settled through [Clearstream, Luxembourg]/[Euroclear][Clearstream Luxembourg and Euroclear][The Depository Trust Company “DTC”]].</p>
<b>C.18</b>	<b>Description of return on derivative securities</b>	<p><b>Equity Linked Securities</b></p> <p>[The Securities are not Equity Linked Securities.] <i>[include for Index Linked Securities]</i></p> <p>[The Securities are Equity Linked Securities that are Participation Securities linked to a single type of Reference Underlying.</p> <p>[The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as follows:</p> <p>(i) if none of the Reference Underlyings have been converted into Converted Reference Underlyings (an example of a Reference Underlying that could be converted is a warrant which gives the holder the right to receive an equity share (which would be referred to as the Converted Reference Underlying) if the holder exercises the warrant):</p> <p style="padding-left: 40px;">Reference Price of the Reference Underlyings x Number of Reference Underlyings; or</p> <p>(ii) if some of the Reference Underlyings have been converted into Converted Reference Underlyings:</p> <p style="padding-left: 40px;">[(Reference Price of the Converted Reference Underlyings – Conversion Costs) x Number of Converted Reference Underlyings] +</p> <p style="padding-left: 40px;">[Reference Price of the Unconverted Reference Underlyings x Number of Unconverted Reference Underlyings]</p> <p>If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated in the same way as the Final Redemption Amount, but on the relevant Early Redemption Date.] <i>[include for Equity Linked Securities that are Participation Securities where “PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)” is specified as “Applicable” in the Final Terms.]</i></p> <p>[The Securities are Equity Linked Securities that are Participation Securities linked to a basket of different types of Reference Underlyings (each such type of Reference Underlying is referred to as a Basket Component; each particular Reference Underlying comprising a Basket Component is referred to as a Basket Component Reference Underlying).</p> <p>The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as the sum of the Basket Component Prices for each of the Basket Components. The Basket Component Price for a particular Basket Component is calculated as follows:</p> <p>(i) if none of the Basket Component Reference Underlyings has been converted into Converted Basket Component Reference Underlyings (an example of a Basket Component Reference Underlying that could be converted is a warrant which gives the holder the right to receive an equity share (which would be referred to</p>

as the Converted Basket Component Reference Underlying) if the holder exercises the warrant):

Reference Price of the Basket Component x Number of Basket Component Reference Underlyings; or

(ii) if some of the Basket Component Reference Underlyings have been converted into Converted Basket Component Reference Underlyings:

$$[(\text{Reference Price of the Converted Basket Component Reference Underlyings} - \text{Conversion Costs}) \times \text{Number of Converted Basket Component Reference Underlyings}] +$$

$$[\text{Reference Price of the Unconverted Basket Component Reference Underlyings} \times \text{Number of Unconverted Basket Component Reference Underlyings}]$$

If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated in the same way as the Final Redemption Amount, but on the relevant Early Redemption Date.] *[Include for Equity Linked Securities that are Participation Securities where "PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)" is specified as "Applicable" in the Final Terms.]*

[The Reference Price of a Relevant Underlying is further described in element C.19 below.

The Conversion Costs are the costs associated with converting an Unconverted Reference Underlying or Unconverted Basket Component Reference Underlying into a Converted Reference Underlying or Converted Basket Component Reference Underlying.] *[Include for all Equity Linked Securities that are Participation Securities]*

[The Securities are Equity Linked Securities that are Outperformance Securities linked to a single type of Reference Underlying.

The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as follows:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Reference Underlyings}] + \text{sum of Daily Outperformance during the term of the Securities}$$

If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated in the same way as the Final Redemption Amount, but on the relevant Early Redemption Date.] *[Include for Equity Linked Securities that are Outperformance Securities where "PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)" is specified as "Applicable" in the Final Terms.]*

[The Securities are Equity Linked Securities that are Outperformance Securities linked to a basket of different types of Reference Underlyings (each such type of Reference Underlying is referred to as a Basket Component; each particular Reference Underlying comprising a Basket Component is referred to as a Basket Component Reference Underlying).

The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as the sum of the Basket Component Prices for each of the Basket Components. The Basket Component Price for a particular Basket Component is calculated as follows:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Basket Component Reference Underlyings}] + \text{sum of Daily Outperformance during the term of the Securities}$$

If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated in the same way as the Final Redemption Amount, but on the relevant Early Redemption Date.] *[Include for Equity Linked Securities that are Outperformance Securities where "PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)" is specified as "Applicable" in the Final Terms.]*

[The Initial Closing Price and Final Closing Price of a Reference Underlying are further described in element C.19 below.] *[Include for Equity Linked Securities that are Outperformance Securities.]*

[Daily Outperformance is calculated as follows for each day during the term of the Securities:

$$\text{(Number of Reference Underlyings x Closing Price) x Outperformance Factor / 365}$$

The Closing Price of a Reference Underlying is the official closing price (as determined by the Calculation Agent) on the Exchange where the Reference Underlying is traded.

The Outperformance Factor is [●]%. *[Include for Equity Linked Securities that are Outperformance Securities where "PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)" is specified as "Applicable" in the Final Terms.]*

[Daily Outperformance is calculated as follows for each Basket Component and each day during the term of the Securities:

$$\text{(Number of Basket Component Reference Underlyings x Closing Price) x Outperformance Factor / 365}$$

The Closing Price of a Reference Underlying is the official closing price (as determined by the Calculation Agent) on the Exchange where the Reference Underlying is traded.

The Outperformance Factor is [●]%. *[Include for Equity Linked Securities that are Outperformance Securities where "PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)" is specified as "Applicable" in the Final Terms.]*

The Valuation Date is scheduled to be [●], but this will be brought forward in the event of an early redemption for any of the reasons described in Element C.8 above.]

#### **Index Linked Securities**

[The Securities are not Index Linked Securities.] *[include for Equity Linked Securities]*

[The Securities are Index Linked that are Participation Securities.

The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as follows:

$$\text{Reference Level x Index Currency Amount}$$

If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated in the same way as the Final Redemption Amount, but on the relevant Early Redemption Date.]] *[Include for Index Linked Securities that are Participation Securities.]*

[The Securities are Index Linked Securities that are Outperformance Securities.

The Securities are scheduled to redeem on the Maturity Date at the Final Redemption Amount. The Final Redemption Amount is calculated as follows:

$$\text{Reference Level x Index Currency Amount + [Reference Level x Index Currency Amount x Outperformance Factor x (C/365)]}$$

If the Securities are redeemed early for any of the reasons described in Element C.8 above, they will redeem at their Early Redemption Amount, which will be calculated as follows:

$$\text{(Reference Level x Index Currency Amount + [Reference Level x Index Currency Amount x Outperformance Factor x (D/365)]) x ([100 - Break Fee Percentage]/100)}$$

*[Include for Index Linked Securities that are Participation Securities.]*

[The Index Currency Amount is [●].] *[Include for all Index Linked Securities.]*

[The Outperformance Factor is [●]%.]

The Break Fee Percentage is [●]%. *[Include for Index Linked Securities that are Outperformance Securities.]*

The Valuation Date is scheduled to be [●], but this will be brought forward in the event of an early redemption for any of the reasons described in Element C.8 above.] *[Include for all Index Linked Securities.]*

**Interest**

[The Securities shall not bear interest.] *[include for Securities whose Final Terms state that both the Fixed Rate Securities Provisions and the Floating Rate Securities Provisions are “Not Applicable”.]*

**Fixed Rate Securities**

[The Securities are not fixed rate Securities.] *[include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Not Applicable”.]*

[The Securities are fixed rate Securities. The Securities shall bear interest [at the rate of [●] per cent. per annum][at rates of *[insert more than one different fixed rate]* per cent. per annum in respect of the [[●],[●] and [●]] interest periods respectively] and interest will accrue on the outstanding nominal amount of the Securities from, and including, the Interest Commencement Date specified in the Final Terms, such interest being payable in arrear on each Interest Payment Date. The Interest Payment Date(s) will be [●.] *[include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable” and where one or more Rate of Interest is specified in the Final Terms]*

[The Securities are fixed rate Securities. The Securities shall bear interest [at an Interest Amount of [●] payable on each Interest Payment Date][at Interest Amounts of *[specify more than one different Interest Amount]* payable in respect of the [[●],[●] and [●]] interest periods respectively]. The Interest Payment Date(s) will be [●.] *[include for Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable” and where one or more Interest Amount is specified in the Final Terms]*

[The yield is [●], calculated at the issue date on the basis of the issue price, and is not an indication of future yield.] *[include for all Securities whose Final Terms state that the Fixed Rate Securities Provisions are “Applicable”]*

**Floating Rate Securities**

[The Securities are not floating rate Securities.] *[include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Not Applicable”.]*

[The Securities are floating rate Securities. The Securities shall bear interest on the basis of *[[specify the floating rate option]* with a designated maturity of *[specify designated maturity]* *[[+/-] [specify Margin]]* per cent. per annum][a percentage rate per annum calculated as *[specify Rate Multiplier]* multiplied by *[specify the floating rate option]* with a designated maturity of *[specify designated maturity]* on *[screen page]*][subject to [a maximum rate of [●] per cent. per annum ][and] a minimum rate of [●] per cent. per annum] and interest will accrue from, and including, the Interest Commencement Date, such interest being payable in arrear on each Interest Payment Date.] *[include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable”]*

[The Interest Payment Date(s) will be [●].] *[include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable” and where Specified Interest Payment Dates are specified in the Final Terms.]*

[The first Interest Payment Date will fall *[specify interest period]* after the Interest Commencement Date and each subsequent Interest Payment Date will fall *[specify interest period]* after the preceding Interest Payment Date.] *[include for Securities whose Final Terms state that the Floating Rate Securities Provisions are “Applicable” and where Interest Periods are specified in the Final Terms.]*

**Premium**

The Securities shall pay premium *[[at the rate of [●] per cent. per annum][at rates of [insert more than one different fixed rate] per cent. per annum in respect of the [[●],[●] and [●]] premium periods respectively]]**[[at a Premium Amount of [●] payable on each Interest Payment Date][at Premium Amounts of [specify more than one different Premium Amount] payable in respect of the [[●],[●] and [●]] premium periods respectively].* *[Include if Premium is applicable]*

**Distributions**

		The Securities will pay amounts to Securityholders that are equivalent to cash dividends paid in respect of the Reference Underlying(s) and received by the Issuer in the context of its hedging arrangements (or that would be received if the Issuer or its hedge provider held the relevant Reference Underlying(s)), net of the Issuer’s hedging costs and converted into the Specified Currency at the relevant exchange rate if necessary.] <i>[Include if Distributions are applicable]</i>
<b>C.19</b>	<b>Description of exercise price or final reference price of underlying asset in relation to derivative securities</b>	<p>[The Reference Price of a Reference Underlying will be calculated by the Calculation Agent by reference to volume weighted average prices that were obtained (or could have been obtained) in the context of the Issuer’s hedging arrangements over the period of five consecutive business days starting on (and including) the Valuation Date, converted into the Specified Currency using the relevant exchange rate if necessary.] <i>[Include for Equity Linked Securities that are Participation Securities in relation to which “Reference Price – Execution Price” is specified in the Final Terms.]</i></p> <p>[The Reference Price of a Reference Underlying will be the average of the volume weighted average prices of the Reference Underlying as reported by the Exchange (specified in the Final Terms) on which the Reference Underlying is traded, over the period of five consecutive business days starting on (and including) the Valuation Date, converted into the Specified Currency using the relevant exchange rate if necessary.] <i>[Include for Equity Linked Securities that are Participation Securities in relation to which “Reference Price – VWAP” is specified in the Final Terms.]</i></p> <p>[The Reference Price of a Reference Underlying will be the average of the closing prices of the Reference Underlying as reported by the Exchange (specified in the Final Terms) on which the Reference Underlying is traded, over the period of five consecutive business days starting on (and including) the Valuation Date, converted into the Specified Currency using the relevant exchange rate if necessary.] <i>[Include for Equity Linked Securities that are Participation Securities in relation to which “Reference Price – Closing Price” is specified in the Final Terms.]</i></p> <p>[The Initial Closing Price of a Reference Underlying is the official closing price (as determined by the Calculation Agent) on the Exchange where the Reference Underlying is traded, on the Trade Date, converted into the Specified Currency using the relevant exchange rate if necessary.</p> <p>The Final Closing Price of a Reference Underlying is the official closing price (as determined by the Calculation Agent) on the Exchange where the Reference Underlying is traded, on the Valuation Date, converted into the Specified Currency using the relevant exchange rate if necessary.] <i>[Include for Equity Linked Securities that are Outperformance Securities.]</i></p> <p>[The Reference Level is the average level of the Index as calculated by the Calculation Agent over the period of five consecutive business days starting on (and including) the Valuation Date.] <i>[Include for Index Linked Securities.]</i></p>
<b>C.20</b>	<b>Description of underlying asset and where information on underlying asset can be found</b>	<p>[The Reference Underlying is [●]. Information on the Reference Underlying can be found at [●].] <i>[Include for Equity Linked Securities where “PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)” is specified as “Applicable” in the Final Terms.]</i></p> <p>[The Basket Components are [●]. Information on the Basket Components can be found at [●].] <i>[Include for Equity Linked Securities where “PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)” is specified as “Applicable” in the Final Terms.]</i></p> <p>[The Reference Underlying is the Index. The Index is [●]. Information on the Index can be found at [●].] <i>[Include for Index Linked Securities]</i></p>
<b>C.21</b>	<b>Market where the securities will be traded and</b>	Application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange

	for which prospectus has been published	
<b>Section D - Risks</b>		
<b>D.2</b>	<b>Key risks that are specific to the Issuer</b>	<p>In purchasing Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the control of the Issuer. The Issuer has identified a number of factors which could materially adversely affect its business and ability to make payments due under the Securities, including as follows:</p> <p>CSG and CS are both exposed to a variety of risks that could adversely affect their results of operations and financial condition, including, among others, those described below. All references to CSG set out below are describing the consolidated businesses carried on by CSG and its subsidiaries and therefore should also be read as references to CS.</p> <p>Liquidity risk:</p> <ul style="list-style-type: none"> <li>• CSG's liquidity could be impaired if it is unable to access the capital markets or sell its assets, and CSG expects its liquidity costs to increase.</li> <li>• CSG's businesses rely significantly on its deposit base for funding.</li> <li>• Changes in CSG's ratings may adversely affect its business.</li> </ul> <p>Market risk:</p> <ul style="list-style-type: none"> <li>• CSG may incur significant losses on its trading and investment activities due to market fluctuations and volatility.</li> <li>• CSG's businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world.</li> <li>• CSG may incur significant losses in the real estate sector.</li> <li>• Holding large and concentrated positions may expose CSG to large losses.</li> <li>• CSG's hedging strategies may not prevent losses.</li> <li>• Market risk may increase the other risks that CSG faces.</li> </ul> <p>Credit risk:</p> <ul style="list-style-type: none"> <li>• CSG may suffer significant losses from its credit exposures.</li> <li>• Defaults by a large financial institution could adversely affect financial markets generally and CSG specifically.</li> <li>• The information that CSG uses to manage its credit risk may be inaccurate or incomplete.</li> </ul> <p>Risks from estimates and valuations:</p> <ul style="list-style-type: none"> <li>• Estimates are based upon judgement and available information, and CSG's actual results may differ materially from these estimates.</li> <li>• To the extent CSG's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, CSG's ability to make accurate estimates and valuations could be adversely affected.</li> <li>• If CSG is required to consolidate a special purpose entity, its assets and liabilities would be recorded on its consolidated balance sheets and it would recognise related gains and losses in its consolidated statements of operations, and this could have an adverse impact on its results of operations and capital and leverage ratios.</li> </ul> <p>Cross-border and foreign exchange risks:</p>

		<ul style="list-style-type: none"> <li>• Cross-border risks may increase market and credit risks CSG faces.</li> <li>• CSG may face significant losses in emerging markets.</li> <li>• Currency fluctuations may adversely affect CSG's results of operations.</li> </ul> <p>Operational risk:</p> <ul style="list-style-type: none"> <li>• CSG is exposed to a wide variety of operational risks, including information technology risk.</li> <li>• CSG may suffer losses due to employee misconduct.</li> <li>• CSG's risk management procedures and policies may not always be effective.</li> </ul> <p>Legal and regulatory risks:</p> <ul style="list-style-type: none"> <li>• CSG's exposure to legal liability is significant.</li> <li>• Regulatory changes may adversely affect CSG's business and ability to execute its strategic plans.</li> <li>• Changes in monetary policy are beyond CSG's control and difficult to predict.</li> <li>• Legal restrictions on its clients may reduce the demand for CSG's services.</li> </ul> <p>Competition risk:</p> <ul style="list-style-type: none"> <li>• CSG faces intense competition in all financial services markets and for the products and services it offers.</li> <li>• CSG's competitive position could be harmed if its reputation is damaged.</li> <li>• CSG must recruit and retain highly skilled employees.</li> <li>• CSG faces competition from new trading technologies.</li> </ul> <p>There are also risks relating to CSG's strategy such as that CSG may not achieve all of the expected benefits of its strategic initiatives.</p>
<p><b>[D.3]</b> <b>[D.6]</b></p>	<p><b>Key risks that are specific to the Securities</b></p>	<p><i>[Name Element D.3 if there is a fixed Final Redemption Amount; name Element D.6 if Securities are linked to the performance of one or more Reference Underlying(s)]</i></p> <p>There are market risks and other risks associated with the Securities, including that:</p> <ul style="list-style-type: none"> <li>• any optional early redemption feature of Securities is likely to limit the market value of the Securities.</li> <li>• the issue price of the Securities may be more than the market value of such Securities as at the issue date, and more than the price at which the Securities can be sold in secondary market transactions.</li> <li>• market values of Securities issued at a substantial discount or premium may be more volatile.</li> <li>• investors will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Underlying referenced by the Securities.</li> <li>• the Securities are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee.</li> <li>• the conditions of the Securities may be modified without the consent of the Securityholder in certain circumstances.</li> <li>• the levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an investor's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors.</li> <li>• the Securityholder may not receive payment of the full amounts due in respect of the Securities as a result of amounts being withheld by the Issuer in order to comply with applicable law.</li> <li>• the Swiss Financial Market Supervisory Authority FINMA has broad statutory powers in the case of a resolution proceeding to take measures and actions in relation to CS, including the power to convert Securities issued by CS into equity and/or partially or fully write-down such Securities.</li> <li>• investors are exposed to the risk of changes in law or regulation affecting the value of Securities held by</li> </ul>



them.

- a secondary market for the Securities may not develop and, if it does, it may not provide the investors with liquidity and may not continue for the life of the Securities. Illiquidity may have an adverse effect on the market value of the Securities.
- if the Securities are traded in amounts that are not integral multiples of their minimum denomination the rights of any holder of an amount of Securities that is less than such minimum denomination may be limited in certain circumstances.
- following early redemption of Securities, investors may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.
- during any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate payable on the Securities. As such, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities.
- changes in interest rates will affect the value of Securities which bear interest at a fixed rate.
- the Securityholder may receive no, or a limited amount of, distribution, interest or premium.
- any credit rating assigned to the Securities may not adequately reflect all the risks associated with an investment in the Securities.
- the Issuer is subject to a number of conflicts of interest, including: (a) in making certain calculations and determinations, there may be a difference of interest between the Investors and the Issuer, (b) in the ordinary course of its business the Issuer (or an affiliate) may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the related derivatives, which may affect the market price, liquidity or value of the Securities, and (c) the Issuer (or an affiliate) may have confidential information in relation to the Reference Underlying(s) or any derivative instruments referencing them which may be material to an investor, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose.
- [the market value of the Securities and the amount payable or deliverable at maturity depend on the performance of the Reference Underlying(s). The performance of a Reference Underlying may be subject to sudden and large unpredictable changes over time (known as "volatility"), which may be affected by national or international, financial, political, military or economic events or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.]
- [the price or level of Reference Underlyings may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices.]
- [investors may be exposed to currency risks because the Reference Underlying(s) may be denominated in a currency other than the currency in which the Securities are denominated, or the Securities and/or Reference Underlying(s) may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease based on fluctuations in those currencies.]
- [in certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal, upon certain events having occurred in relation to any Reference Underlying(s) or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the amount payable may be less than its original purchase price and could be as low as zero.]
- [the Issuer may apply consequential postponement of, or any alternative provisions for, valuation of a Reference Underlying following certain disruption events in relation to such Reference Underlying, each

		<p>of which may have an adverse effect on the value of the Securities.]</p> <ul style="list-style-type: none"> <li>• [the amount(s) payable under the Securities may be reduced if the value of the proceeds of the Issuer's (or its affiliates') hedging arrangements in relation to the Reference Underlying(s) are reduced as a result of various matters relating to risks connected with certain countries.]</li> <li>• [the price or level of Reference Underlyings may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices.]</li> </ul> <p>[If the value of the relevant Reference Underlying(s) declines, the principal value of the Securities will also decline, and an Investor may lose all or part of its investment.</p> <p>If the Issuer becomes insolvent or if it is otherwise unable or unwilling to fulfil its obligations in respect of the Securities when they fall due, an Investor may lose all or part of its investment.] <i>[Delete bracketed bullet points and final two paragraphs if there is a fixed Final Redemption Amount; include if Securities are linked to the performance of one or more Reference Underlying(s)]</i></p>
<b>Section E – Other</b>		
<b>E.2a</b>	<b>Reasons for the offer and use of proceeds</b>	<p>[Not applicable; the Securities are not being publicly offered. The net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes, which include making a profit.]</p> <p>[The Issuer intends to use the net proceeds from the offer of the Securities for [its general corporate purposes, which include making a profit][specify other use of proceeds]. The net proceeds from each issue of Securities will be used by the Issuer outside Switzerland to ensure that the Securities will not become subject to Swiss withholding and Swiss stamp tax law as a consequence of such use of proceeds in Switzerland.]</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>[Not applicable]/[Not applicable; the Securities are not being publicly offered.]/[The Securities are offered subject to the following conditions:</p> <p>[The offer of the Securities is conditional on their issue.]</p> <p>[The offer may be cancelled if the [Aggregate Nominal Amount]/[aggregate number of Securities] purchased is less than [●], or if the Issuer or the [relevant] Dealer[s] determine[s] that certain circumstances have arisen that makes it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions.]</p> <p>[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the Issue Date.]</p> <p>[The [maximum]/[minimum] number of Securities each individual Investor may subscribe for is [●].]</p> <p>[Payments for the Securities shall be made to the [relevant] Dealer [on [●]/[such date as the [relevant] Dealer may specify]/[in accordance with the arrangements existing between the [relevant] Dealer and its customers relating to the subscription of securities generally.]]</p>
<b>E.4</b>	<b>Interest of natural and legal persons involved in the issue/offer</b>	<p>Fees shall be payable to the Dealer(s). The Issuer is subject to conflicts of interest between its own interests and those of holders of Securities.</p>
<b>E.7</b>	<b>Expenses charged to the investor by the Issuers</b>	<p>Any commissions, costs, fees, charges, expenses, duties, taxes, levies, registration fees, custodial fees, or other fees or charges incurred by a Hedge Provider as a result of, or in connection with, (i) the holding or sale or realisation of the relevant Reference Underlyings (or assets constituted thereby), or (ii) entering into or unwinding of any relevant Hedging Arrangements will be passed on to the Securityholders by being deducted from any payments due to be paid by the Issuer in respect of the Securities.</p>

## RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

The purchase of Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of Securities should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this Base Prospectus and, in particular, the considerations set forth below. Words and expressions defined in “*Terms and Conditions of the Securities*” below shall have the same meanings in this section “*Risk Factors*”.

In addition, prospective investors should refer to the risk factors on pages 37 – 46 of the Credit Suisse Annual Report 2012 incorporated by reference in this Base Prospectus.

### **(1) Risks relating to CS’s ability to fulfil its obligations under the Securities**

CS is a wholly-owned subsidiary of CSG. CSG and CS are both exposed to a variety of risks that could adversely affect their results of operations or financial condition, including, among others, those described below. All references to CSG in the risk factors set out below on pages 27 to 52 inclusive are describing the consolidated businesses carried on by CSG and its subsidiaries and therefore should also be read as references to CS.

#### **Liquidity risk**

Liquidity, or ready access to funds, is essential to CSG’s business, particularly CSG’s Investment Banking business. CSG maintains available liquidity to meet its obligations in a stressed liquidity environment. For information on CSG’s liquidity management, refer to “*III—Treasury, Risk, Balance sheet and Off-balance sheet*” in the Credit Suisse Annual Report 2012 and “*II—Treasury, Risk, Balance sheet and Off-balance sheet*” in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

***CSG’s liquidity could be impaired if it is unable to access the capital markets or sell its assets, and CSG expects its liquidity costs to increase***

CSG’s ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to CSG or the banking sector, including CSG’s perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on CSG’s liquidity. In challenging credit markets, CSG’s funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting the results of operations. Following the financial crisis in 2008 and

2009 its costs of liquidity have remained high and CSG expects to incur additional costs as a result of regulatory requirements for increased liquidity and the challenging economic environment in Europe, the United States and elsewhere.

If CSG 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, CSG 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.

***CSG's businesses rely significantly on its deposit base for funding***

CSG's businesses benefit from short-term funding sources, including primarily 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, CSG's liquidity position 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.

***Changes in CSG's ratings may adversely affect its business***

Ratings are assigned by rating agencies. They may lower, indicate their intention to lower or withdraw their ratings at any time. The major rating agencies remain focused on the financial services industry, particularly on uncertainties as to whether firms that pose systemic risk would receive government or central bank support in a financial or credit crisis, and on such firms' potential vulnerability to market sentiment and confidence, particularly during periods of severe economic stress. For example, in June 2012, following a review of 17 of the world's largest banks, Moody's Investor Services lowered its ratings of 15 of those banks, including lowering CS's and CSG's credit rating by three notches. Further downgrades in CSG's or CS's assigned ratings, including in particular their credit ratings, could increase CSG's and/or CS's borrowing costs, limit their access to capital markets, increase their cost of capital and adversely affect the ability of their businesses to sell their products, engage in business transactions – particularly longer-term and derivatives transactions – and retain their clients.

**Market risk**

***CSG may incur significant losses on its trading and investment activities due to market fluctuations and volatility***

Although CSG continued to reduce its balance sheet and accelerated the implementation of its client-focused, capital-efficient strategy in 2012, CSG continues to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that CSG owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of CSG's net long positions. Conversely, to the extent that CSG has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose CSG to potentially significant losses as it attempts to cover its net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of CSG's positions and its results of operations. Adverse market or economic conditions or trends have caused, and may in the future cause, a significant decline in CSG's net revenues and profitability.

***CSG's businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world***

As a global financial services company, CSG's businesses are materially affected by conditions in the financial markets and economic conditions generally in Europe, the United States and elsewhere around the world. The

recovery from the economic crisis of 2008 and 2009 continues to be sluggish in several key developed markets. Additionally, the European sovereign debt crisis, as well as concerns over the United States' debt levels and the federal budget process that led to the first downgrade of United States sovereign debt in the modern era, have not been permanently resolved. CSG's financial condition and results of operations could be materially adversely affected if these conditions do not improve, or if they stagnate or worsen. Further, various countries in which CSG operates or invests have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions. In 2012, concerns about weaknesses in the economic and fiscal condition of certain European countries, including Greece, Ireland, Italy, Portugal and Spain continued, especially with regard to how such weaknesses might affect other economies as well as financial institutions (including CSG) which lent funds to or did business with or in those countries. Continued concern about the European sovereign debt crisis could cause disruptions in market conditions in Europe and around the world. There is always the chance that economic disruption in other countries, even in countries in which CSG does not currently conduct business or have operations, will adversely affect its businesses and results.

Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and foreign currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices, the European sovereign debt crisis and the United States federal debt crisis have affected financial markets and the economy. In recent years, movements in interest rates have affected CSG's net interest income and the value of its trading and non-trading fixed income portfolios. In addition, movements in equity markets, together with lower industry-wide capital issuance levels, have affected the value of CSG's trading and non-trading equity portfolios, while the strength of the CHF has adversely affected CSG's revenues and net income.

Such adverse market or economic conditions may reduce the number and size of investment banking transactions in which CSG provides underwriting, mergers and acquisitions advice or other services and, therefore, may adversely affect its financial advisory and underwriting fees. Such conditions may adversely affect the types and volumes of securities trades that CSG executes for customers and may adversely affect the net revenues it receives from commissions and spreads. In addition, several of CSG's businesses engage in transactions with, or trade in obligations of, governmental entities, including super-national, national, state, provincial, municipal and local authorities. These activities can expose CSG to enhanced sovereign, credit-related, operational and reputational risks, including the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which could adversely affect CSG's financial condition and results of operations.

Unfavourable market or economic conditions have affected CSG's businesses over the last years, including the low interest rate environment, continued cautious investor behaviour, lower industry-wide capital issuance levels, and subdued mergers and acquisitions activity. These negative factors have been reflected in lower commissions and fees from CSG's client-flow sales and trading and asset management activities, including commissions and fees that are based on the value of CSG's clients' portfolios. Investment performance that is below that of competitors or asset management benchmarks could result in a decline in assets under management and related fees and make it harder to attract new clients. In light of the continued dislocation in the financial and credit markets, there has been a fundamental shift in client demand away from more complex products and significant client deleveraging, and CSG's Private Banking & Wealth Management Clients results of operations have been and could continue to be adversely affected as long as this continues.

Adverse market or economic conditions have also negatively affected CSG's private equity investments since, if a private equity investment substantially declines in value, CSG may not receive any increased share of the income and gains from such investment (to which CSG is entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obliged to return to investors previously received excess carried interest payments and may lose its *pro rata* share of the capital invested. In addition, it could become

more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit in weak initial public offering markets.

In addition to the macroeconomic factors discussed above, other events beyond CSG's control, including terrorist attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on CSG's businesses and results.

***CSG may incur significant losses in the real estate sector***

CSG finances and acquires principal positions in a number of real estate and real estate-related products, primarily for clients and originates loans, secured by commercial and residential properties. As of 31st December 2012, CSG's real estate loans (as reported to the Swiss National Bank) totalled approximately CHF 133 billion. CSG also securitises and trades in commercial and residential real estate and real estate-related whole loans, mortgages, and other real estate and commercial assets and products, including commercial and residential mortgage-backed securities. CSG's real estate-related businesses and risk exposures could continue to be adversely affected by the downturn in real estate markets, other sectors and the economy as a whole. In particular, the risk of potential price corrections in the real estate market in certain areas of Switzerland could have a material adverse effect on CSG's real estate-related businesses.

***Holding large and concentrated positions may expose CSG to large losses***

Concentrations of risk could increase losses, given that CSG has sizeable loans to, and securities holdings in, certain customers, industries or countries. Decreasing economic growth in any sector in which CSG makes significant commitments, for example, through underwriting, lending or advisory services, could also negatively affect CSG's net revenues.

CSG has significant risk concentration in the financial services industry as a result of the large volume of transactions routinely conducted with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of CSG's business it may be subject to risk concentration with a particular counterparty. CSG, like other financial institutions, continues to adapt its practices and operations in consultation with its regulators to better address an evolving understanding of its exposure to, and management of, systemic risk and risk concentration to financial institutions. Regulators continue to focus on these risks, and there are numerous new regulations and government proposals, and significant ongoing regulatory uncertainty, about how best to address them. There can be no assurance that the changes in CSG's and industry operations, practices and regulation will be effective in managing this risk. For further information, refer to "I—Information on the Company—Regulation and supervision" in the Credit Suisse Annual Report 2012 and "II—Treasury, risk, balance sheet and off-balance sheet—Capital Management—Regulatory Capital Framework" in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

Risk concentration may cause CSG to suffer losses even when economic and market conditions are generally favourable for others in its industry.

***CSG's hedging strategies may not prevent losses***

If any of the variety of instruments and strategies CSG uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur losses. CSG may be unable to purchase hedges or be only partially hedged, or its hedging strategies may not be fully effective in mitigating CSG's risk exposure in all market environments or against all types of risk.

***Market risk may increase the other risks that CSG faces***

In addition to the potentially adverse effects on CSG's businesses described above, market risk could exacerbate the other risks that CSG faces. For example, if CSG were to incur substantial trading losses, its need for

liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with another market downturn, CSG's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing CSG's credit and counterparty risk exposure to them.

## **Credit risk**

### ***CSG may suffer significant losses from its credit exposures***

CSG's businesses are subject to the fundamental risk that borrowers and other counterparties will be unable to perform their obligations. CSG's credit exposures exist across a wide range of transactions that it engages in with a large number of clients and counterparties, including lending relationships, commitments and letters of credit, as well as derivative, foreign exchange and other transactions. CSG's exposure to credit risk can be exacerbated by adverse economic or market trends, as well as increased volatility in relevant markets or instruments. In addition, disruptions in the liquidity or transparency of the financial markets may result in CSG's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. Any inability to reduce these positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on CSG's balance sheet, thereby increasing its capital requirements, all of which could adversely affect its businesses. For information on management of credit risk, refer to "III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management" in the Credit Suisse Annual Report 2012, "II—Treasury, Risk, Balance sheet and Off-balance sheet" in the Credit Suisse Financial Report 1Q13, and "Note 1—Summary of significant accounting policies", "Note 10—Provision for credit losses" and "Note 16—Loans, allowance for loan losses and credit quality", each in "III—Condensed Consolidated Financial Statements—Unaudited" in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

CSG management's determination of the provision for loan losses is subject to significant judgement. CSG's banking businesses may need to increase their provisions for loan losses or may record losses in excess of the previously determined provisions if its original estimates of loss prove inadequate, which could have a material adverse effect on its results of operations. For information on provisions for loan losses and related risk mitigation refer to "III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management" and "Note 1—Summary of significant accounting policies", "Note 10—Provision for credit losses" and "Note 18—Loans, allowance for loan losses and credit quality," each in "V—Consolidated financial statements—Credit Suisse Group" in the Credit Suisse Annual Report 2012, "II—Treasury, Risk, Balance sheet and Off-balance sheet—Risk Management", "Note 1—Summary of significant accounting policies", "Note 10—Provision for credit losses" and "Note 16—Loans, allowance for loan losses and credit quality", each in "III—Condensed Consolidated Financial Statements Unaudited" in the Credit Suisse Financial Report 2Q13.

CSG's regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

CSG has experienced in the past, and may in the future experience, pressure to assume longer-term credit risk, extend credit against less liquid collateral and price derivative instruments more aggressively based on the credit risks that it takes due to competitive factors. CSG expects its capital and liquidity requirements, and those of the financial services industry, to increase as a result of these risks.

### ***Defaults by a large financial institution could adversely affect financial markets generally and CSG specifically***

Concerns, or even rumours, about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as systemic risk. Concerns about defaults by and failures of many financial institutions,

particularly those with significant exposure to the eurozone, continued in 2012 and could continue to lead to losses or defaults by financial institutions and financial intermediaries, with which CSG interacts on a daily basis, such as clearing agencies, clearing houses, banks, securities firms and exchanges. CSG's credit risk exposure will also increase if the collateral it holds cannot be realised upon or can only be liquidated at prices insufficient to cover the full amount of exposure.

***The information that CSG uses to manage its credit risk may be inaccurate or incomplete***

Although CSG regularly reviews its credit exposure to specific clients and counterparties and to specific industries, countries and regions that it believes may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. CSG may also fail to receive full information with respect to the credit or trading risks of a counterparty.

**Risks from estimates and valuations**

CSG makes estimates and valuations that affect its reported results, including measuring the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating its ability to realise deferred tax assets, valuing equity based compensation awards and calculating expenses and liabilities associated with its pension plans. These estimates are based upon judgement and available information, and CSG's actual results may differ materially from these estimates. For information on these estimates and valuations, refer to "II—Operating and financial review—Critical accounting estimates" and "Note 1—Summary of significant accounting policies" in "V—Consolidated financial statements—Credit Suisse Group" in the Credit Suisse Annual Report 2012. CSG's estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to CSG or impact the value of assets. To the extent CSG's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, its ability to make accurate estimates and valuations could be adversely affected.

**Risks relating to off-balance sheet entities**

CSG enters into transactions with special purpose entities ("SPEs") in its normal course of business, and certain SPEs with which CSG transacts business are not consolidated and their assets and liabilities are off-balance sheet. The accounting requirements for consolidation, initially and if certain events occur that require CSG to reassess whether consolidation is required, can require the exercise of significant management judgement. Accounting standards relating to consolidation, or their interpretation, have changed and may continue to change. If CSG is required to consolidate an SPE, its assets and liabilities would be recorded on its consolidated balance sheets and CSG would recognise related gains and losses in its consolidated statements of operations, and this could have an adverse impact on its results of operations and capital and leverage ratios. For information on CSG's transactions with and commitments to SPEs, refer to "III—Treasury, Risk, Balance sheet and Off-balance sheet—Balance sheet, off-balance sheet and other contractual obligations—Off-balance sheet" in the Credit Suisse Annual Report 2012 and "II—Treasury, Risk, Balance sheet and Off-balance sheet" in the Credit Suisse Financial Report 2Q13.

**Cross-border and foreign exchange risk**

***Cross-border risks may increase market and credit risks CSG faces***

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises, monetary controls or other factors, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to CSG, which in turn may have an adverse impact on CSG's results of operations.



### ***CSG may face significant losses in emerging markets***

As a global financial services company doing business in emerging markets, CSG is exposed to economic instability in emerging market countries. CSG monitors these risks, seeks diversity in the sectors in which it invests and emphasises client-driven business. CSG's efforts at limiting emerging market risk, however, may not always succeed.

### ***Currency fluctuations may adversely affect CSG's results of operations***

CSG is exposed to risk from fluctuations in exchange rates for currencies, particularly the U.S. dollar. In particular, a substantial portion of CSG's assets and liabilities are denominated in currencies other than the Swiss franc, which is the primary currency of its financial reporting. CSG's capital is also stated in Swiss francs and it does not fully hedge its capital position against changes in currency exchange rates. Despite the actions of the Swiss National Bank to maintain a floor for the CHF-EUR exchange rate, the Swiss franc remained strong against the U.S. dollar and euro in 2012. The appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse impact on CSG's results of operations and capital position in recent years and may have such an effect in the future.

### **Operational risk**

#### ***CSG is exposed to a wide variety of operational risks, including information technology 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, CSG's 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. As a global financial services company, CSG relies heavily on its financial, accounting and other data processing systems, which are varied and complex. CSG's business depends on its ability to process a large volume of diverse and complex transactions, including derivatives transactions, which have increased in volume and complexity. CSG 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 to CSG's businesses. Despite CSG'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. CSG could also be affected by risks to the systems and information of clients, vendors, service providers, counterparties and other third parties.

If any of CSG's systems do not operate properly or are compromised as a result of cyber-attacks, security breaches, unauthorised access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, CSG could be subject to litigation or suffer financial loss not covered by insurance, a disruption of its businesses, liability to its clients, regulatory intervention or reputational damage. Any such event could also require CSG to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures.

#### ***CSG may suffer losses due to employee misconduct***

CSG's businesses are 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 deter employee misconduct, and the precautions CSG takes to prevent and detect this activity may not always be effective.

## ***Risk management***

CSG has risk management procedures and policies designed to manage its risk. These techniques and policies, however, may not always be effective, particularly in highly volatile markets. CSG continues to adapt its risk management techniques, in particular value-at-risk and economic capital, which rely on historical data, to reflect changes in the financial and credit markets. No risk management procedures can anticipate every market development or event, and CSG's risk management procedures and hedging strategies, and the judgements behind them, may not fully mitigate its risk exposure in all markets or against all types of risk. For information on CSG's risk management, refer to "*III—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, Risk, Balance sheet and Off-balance sheet—Risk management*" in the Credit Suisse Financial Report 2Q13.

## **Legal and regulatory risks**

### ***CSG's exposure to legal liability is significant***

CSG faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms are increasing.

CSG and its subsidiaries are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on CSG's operating results for any particular period, depending, in part, upon its results for such period. For information relating to these and other legal and regulatory proceedings involving CSG's Investment Banking and other businesses, refer to "*Note 37—Litigation in V—Consolidated Financial Statements—Litigation*" in the Credit Suisse Annual Report 2012 and "*Note 29—Litigation*", in "*III—Condensed Consolidated Financial Statements—Unaudited*" in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving CSG's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. CSG's management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters. For more information, refer to "*II—Operating and financial review—Critical accounting estimates*" and "*Note 1—Summary of significant accounting policies in V—Consolidated financial statements—Credit Suisse Group*" in the Credit Suisse Annual Report 2012.

### ***Regulatory changes may adversely affect CSG's business and ability to execute its strategic plans***

As a participant in the financial services industry, CSG is subject to extensive regulation by governmental agencies, supervisory authorities, and self-regulatory organisations in Switzerland, the European Union, the United Kingdom and the United States and other jurisdictions in which CSG operates around the world. Such regulation is increasingly more extensive and complex and, in recent years, costs related to its compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have all increased significantly. These regulations often serve to limit CSG's activities, including through the application of increased capital requirements, customer protection and market conduct regulations, and direct or indirect restrictions on the businesses in which CSG may operate or invest. Such limitations can have a negative effect on CSG's business and its ability to implement strategic initiatives. To the extent CSG is required to divest certain businesses, it could incur losses, as it may be forced to sell such businesses at a discount, which in certain instances could be substantial, as a result of both the constrained timing of such sales and the possibility that other financial institutions are liquidating similar investments at the same time.

Since 2008, regulators and governments have focused 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. CSG is already subject to extensive regulation in many areas of its business and expects to face increased regulation and regulatory scrutiny and enforcement. CSG 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 CSG, 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, together with more stringent requirements imposed by the Swiss “Too Big To Fail” legislation and its implementing ordinances, have contributed to CSG’s decision to reduce risk weighted assets and the size of its balance sheet, and could potentially impact its access to capital markets and increase its funding costs. In addition, the ongoing implementation in the United States of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), including the “Volcker Rule”, derivatives regulation and other regulatory developments described in “*I—Information on the company—Regulation and supervision*” in the Credit Suisse Annual Report 2012 and “*II—Treasury, risk, balance sheet and off-balance sheet—Capital Management-Regulatory Capital Framework*” in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13, have imposed, and will continue to impose, new regulatory burdens on certain of CSG’s operations. These requirements have contributed to its decision to exit certain businesses (including a number of its private equity businesses) and may lead it to exit other businesses. Because the scope of the Volcker Rule remains subject to final rule making and its impact on CSG’s market-making and risk mitigation activities is unclear, it is still uncertain whether it may be required to curtail or discontinue some of these activities or if its operations may otherwise be adversely affected. Under the Dodd-Frank Act, CSG also expects to become subject to new Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission (“**SEC**”) rules that could materially increase the operating costs, including compliance, information technology and related costs, associated with its derivatives businesses with United States persons. Further, in December 2012, the United States Federal Reserve proposed a rule under the Dodd-Frank Act that would create a new framework for regulation of the United States operations of foreign banking organisations such as CSG. Although the final content and impact of the proposal cannot be predicted at this time, if implemented as proposed, this rule may result in CSG incurring additional costs and limit or restrict the way it conducts its business in the United States.

Similarly, recently enacted and possible future cross-border tax regulation with extra-territorial effect, such as the U.S. Foreign Account Tax Compliance Act, and bilateral tax treaties, such as Switzerland’s treaties with the United Kingdom and Austria, impose detailed reporting obligations and increased compliance and systems-related costs on CSG’s businesses. Finally, implementation of the European Market Infrastructure Regulation and the proposed revisions to the Markets in Financial Instruments Directive (Directive 2004/39/EC) may negatively affect CSG’s business activities. If Switzerland does not pass legislation that is deemed equivalent to these European Union regulations in a timely manner, Swiss banks, including CSG, may be limited from participating in businesses regulated by such laws.

Additionally, pursuant to an amendment of the Swiss Federal Law on Banks and Savings Banks of 8th November 1934, as amended in 2012, and the new Banking Insolvency Ordinance that came into effect in late 2012, the Swiss Financial Market Supervisory Authority (“**FINMA**”) has significantly increased authority in case of resolution proceedings involving banks in Switzerland. This resolution authority includes, among other things, the power to cancel outstanding equity, to convert debt instruments and other liabilities of a bank into equity and to cancel such liabilities fully or partially.

CSG expects the financial services industry, including CSG, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2013 and beyond. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect CSG's results of operations.

Despite CSG's best efforts to comply with applicable regulations, a number of risks remain, particularly in areas where applicable regulations may be unclear or inconsistent among jurisdictions or where regulators revise their previous guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against CSG, 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 CSG's results of operations and seriously harm its reputation.

For a description of CSG's regulatory regime and capital requirements and a summary of some of the significant regulatory and government reform proposals affecting the financial services industry, refer to "*I—Information on the company—Regulation and supervision*" in the Credit Suisse Annual Report 2012 and "*II—Treasury, risk, balance sheet and off-balance sheet—Capital Management—Regulatory Framework*" in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

#### ***Changes in monetary policy are beyond CSG's control and difficult to predict***

CSG is affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the United States and other countries. The actions of the Swiss National Bank and other central banking authorities directly impact CSG's cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments CSG holds and the competitive and operating environment for the financial services industry. Many central banks have implemented significant changes to their monetary policy. CSG cannot predict whether these changes will have a material adverse effect on it or its operations. In addition, changes in monetary policy may affect the credit quality of its customers. Any changes in monetary policy are beyond CSG's control and difficult to predict.

#### ***Legal restrictions on its clients may reduce the demand for CSG's services***

CSG may be materially affected not only by regulations applicable to it as a financial services company, but also by regulations of general application and changes in enforcement practices. CSG's business could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations and policies and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets. For example, focus on tax compliance and changes in enforcement practices could lead to asset outflows (primarily from customers in mature Western European markets) from CSG's Wealth Management Clients business in Switzerland.

### **Competition**

#### ***CSG faces intense competition***

CSG faces intense competition in all financial services markets and for the products and services it offers. Consolidation, through mergers and acquisitions, alliances and cooperation, including as a result of financial distress, is increasing competitive pressures. Competition is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like CSG, have the ability to offer a wide range of products, from loans and deposit-taking to brokerage, investment banking and asset management services. Some of these firms may be able to offer a broader range of products than CSG does, or offer such products at more competitive prices. Current market conditions have resulted in significant changes in the competitive landscape in CSG's industry as many institutions have merged, altered the scope of their business, declared bankruptcy, received government assistance or changed their regulatory status,

which will affect how they conduct their business. In addition, current market conditions have had a fundamental impact on client demand for products and services. Although CSG expects the increasing consolidation and changes in its industry to offer opportunities, it can give no assurance that its results of operations will not be adversely affected.

***CSG's competitive position could be harmed if its reputation is damaged***

In the highly competitive environment arising from globalisation and convergence in the financial services industry, a reputation for financial strength and integrity is critical to CSG's performance, including its ability to attract and maintain clients and employees. CSG's reputation could be harmed if its comprehensive procedures and controls fail, or appear to fail, to address conflicts of interest, prevent employee misconduct, produce materially accurate and complete financial and other information or prevent adverse legal or regulatory actions. For further information, refer to "III—Treasury, Risk, Balance Sheet and Off-balance sheet—Risk management—Reputational Risk" in the Credit Suisse Annual Report 2012.

***CSG must recruit and retain highly skilled employees***

CSG's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense. CSG has devoted considerable resources to recruiting, training and compensating employees. CSG's continued ability to compete effectively in its businesses depends on its ability to attract new employees and to retain and motivate its existing employees. The continued public focus on compensation practices in the financial services industry, and related regulatory changes, may have an adverse impact on CSG's ability to attract and retain highly skilled employees.

***CSG faces competition from new trading technologies***

CSG's businesses face competitive challenges from new trading technologies, which may adversely affect its commission and trading revenues, exclude its businesses from certain transaction flows, reduce its participation in the trading markets and the associated access to market information and lead to the creation of new and stronger competitors. CSG has made, and may continue to be required to make, significant additional expenditures to develop and support new trading systems or otherwise invest in technology to maintain its competitive position.

**Risks relating to CSG's strategy**

***CSG may not achieve all of the expected benefits of its strategic initiatives***

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions. CSG has continued to adapt its client-focused, capital-efficient strategy and has implemented new efficiency measures. Actions taken to adapt CSG's strategy, some of which are ongoing, including strengthening its capital position, reducing its cost base, decreasing the size of its balance sheet, reducing its risk-weighted assets, focusing on chosen businesses and markets in Investment Banking, and integrating its Private Banking and Asset Management divisions into a new, single division. Factors beyond its control, including but not limited to the market and economic conditions and other challenges discussed in detail above, could limit CSG's ability to achieve all of the expected benefits of these initiatives.

In addition, acquisitions and other similar transactions it undertakes as part of its strategy subjects CSG to certain risks. Even though CSG reviews the records of companies it plans to acquire, it is generally not feasible for it to review all such records in detail. Even an in-depth review of records may not reveal existing or potential problems or permit CSG to become familiar enough with a business to assess fully its capabilities and deficiencies. As a result, CSG may assume unanticipated liabilities (including legal and compliance issues), or an acquired business may not perform as well as expected. CSG also faces the risk that it will not be able to integrate acquisitions into its existing operations effectively as a result of, among other things, differing procedures, business practices and technology systems, as well as difficulties in adapting an acquired company

into its organisational structure. CSG faces the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire such businesses or the capital expenditures needed to develop such businesses.

In recent years, CSG has also undertaken a number of new joint ventures and strategic alliances. Although it endeavours to identify appropriate partners, CSG's joint venture efforts may prove unsuccessful or may not justify its investment and other commitments.

## **(2) Risks relating to Securities generally**

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features.

### ***The Securities may not be a suitable investment for all investors***

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

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

The Issue Price in respect of any Securities specified in the relevant Final Terms may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price in

respect of any Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

***The market value of Securities may be highly volatile***

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

***The market value of the Securities may be influenced by unpredictable factors***

Many factors, most of which are beyond the Issuer's control, will influence the value of the Securities and the price, if any, at which securities dealers may be willing to purchase or sell the Securities in the secondary market, including:

- (a) the creditworthiness of the Issuer;
- (b) whether distribution, interest and/or premium have been and are likely to be paid on the Securities from time to time;
- (c) supply and demand for the Securities, including inventory positions with any securities dealer; and
- (d) economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the financial markets generally.

Accordingly, if a Securityholder sells its Securities in the secondary markets, it may not be able to obtain a price equal to the nominal amount of the Securities or the price that it paid for the Securities.

***Securities issued at a substantial discount or premium***

The market values of Securities issued at a substantial discount or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***The Securities are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee***

An investment in the Securities will not be covered by any compensation or insurance scheme of any government agency of Switzerland or any other jurisdiction and the Securities do not have the benefit of any government guarantee. The Securities are the 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 in the Securities.

***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.

The rating of certain Series of Securities to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Securities will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

If the Securities are rated, certain information with respect to the relevant credit rating agencies and ratings will be disclosed in the Final Terms.

### ***Secondary Market***

An active public market for trading of the Securities is not expected to develop. The Issuer and/or the relevant Dealer(s) may be the only market participants for the Securities. The secondary market for the Securities and liquidity for an investor may therefore be limited. Investors 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. The Issuer or any of its Affiliates may at any time purchase Securities at any price in the open market or otherwise subject to market conditions and constraints. The more limited the secondary market is for any particular tranche of Securities, the more difficult for an investor to realise the value of the Securities prior to maturity. Illiquidity may have a severely adverse effect on the market value of Securities and there may be a significant spread between the actual trading price of the Securities and the face amount of the Securities. The investor may need to hold the Securities until maturity.

### ***Taxation***

Each investor will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Securities. The Issuer will not pay any additional amounts to any Securityholders or investors to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Securities by the Issuer or the Paying Agents or otherwise required to be paid by the Securityholders or investors. Payments under the Securities such as premium and other redemption amounts may be treated as principal under the applicable tax laws and may be subject to taxation such as capital gains or equivalent tax. Each prospective purchaser of Securities must determine, based on its own independent review and such professional advice as it deems appropriate, its tax position given its own particular circumstances, before deciding whether or not to purchase the Securities. Each investor will also assume and be solely responsible for any change in tax laws which may adversely affect the return on the Securities.



In addition, the Issuer may include charges on the redemption of any PRC Property Share Security or PRC Property Index Security. Adjustments and rebalancing may also be made in certain circumstances in accordance with the Terms and Conditions of the Securities. Please refer to Condition 6 for further details.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC (for the purposes of the following two paragraphs, the "**Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

### ***Any distribution you receive may be subject to U.S. foreign account tax compliance withholding***

Under the "Hiring Incentives to Restore Employment Act" (the "**HIRE Act**") and recently proposed regulations, a 30% withholding tax is imposed on "withholdable payments" and certain "passthru payments" made to foreign financial institutions unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution and to annually report certain information about such account. Withholding under the HIRE Act will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person or would otherwise be entitled to an exemption from the imposition of withholding tax. The Issuer will treat payments on the Securities as withholdable payments for these purposes. You should consult with your tax advisers on how these rules may apply to payments you receive under the Securities. See "United States Tax Considerations for Investors" herein.

### ***Rights of the holders of Securities issued by CS may be adversely affected by FINMA's broad statutory powers in the case of a resolution proceeding to take measures and actions in relation to CS, including its power to convert such Securities into equity and/or partially or fully write-down such Securities***

In October 2012, FINMA published a new Banking Insolvency Ordinance-FINMA (the "**Banking Insolvency Ordinance**"), which entered into force on 1st November 2012 and governs bankruptcy and resolution procedures of Swiss banks. The Banking Insolvency Ordinance was enacted pursuant to the Swiss Federal Law on Banks and Savings Banks of 8th November 1934, as amended, in order to streamline the procedure for restructuring troubled banks and provide FINMA with significantly increased resolution authority. Instead of prescribing a particular resolution concept, the Banking Insolvency Ordinance provides for various resolution tools from which FINMA may choose in any given case. Under the Banking Insolvency Ordinance, FINMA may open resolution procedures and, if it decides to do so, must appoint a resolution authority (unless it assumes

this role itself), and is required to approve a resolution plan for troubled banks. FINMA has discretion to take decisive action in the resolution of a bank, including, among other things, by taking out existing shareholders, forcing a debt-to-equity swap, reducing a bank's credit claims, and staying or terminating financing contracts. The Banking Insolvency Ordinance, however, requires that FINMA first cancel all equity capital and that all contingent convertible bonds be converted into equity prior to ordering a debt-to-equity swap or a debt reduction. In addition, any such debt-to-equity swap must be prioritised first to subordinated claims not qualifying as regulatory capital, then to other claims that are not excluded from conversion, and lastly to customer deposits in excess of privileged amounts. This means that, in the case of a resolution procedure opened by FINMA with respect to CS, FINMA could require the conversion of CS's debt (including any Securities issued by CS) into equity and/or a partial or full write off of CS's obligations (including any Securities issued by CS). In such case, holders of Securities issued by CS would lose all or some of their investment in such Securities.

### ***Proposed Amendment of Swiss Federal Withholding Tax Act***

On 24th August 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require any paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest in respect of a Security to an individual resident in Switzerland (this includes payment to an entity which is treated as fiscally transparent in which an interest is held by such an individual) or to a person (not only individuals) resident outside Switzerland. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from a payment, neither the Issuer nor a paying agent nor any other person would pursuant to the Conditions of the Securities be obliged to pay additional amounts with respect to any Securities as a result of the deduction or imposition of such withholding tax. The Issuer is required to maintain a paying agent in a jurisdiction within Europe other than Switzerland that will not be required to withhold or deduct tax pursuant to laws enacted in Switzerland providing for the taxation of payments according to principles similar to those laid down (a) in the EU Savings Tax Directive or (b) in the draft legislation proposed by the Swiss Federal Council on 24th August 2011, in particular the principle to have a person other than the Issuer withhold or deduct the tax.

### ***Final Foreign Withholding Taxes***

On 1st January 2013, treaties on final withholding taxes of Switzerland with the United Kingdom and Austria came into force (each a “**Contracting State**”). The treaties require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax (*Abgeltungssteuer*) at rates specified in the treaties on certain capital gains and income items (interest, dividends, other income items, all as defined in the treaties, deriving from assets, including the Securities, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company (*Sitzgesellschaft*), an insurance company in connection with a so-called insurance wrapper (*Lebensversicherungsmantel*) or other individuals if the beneficial owner is an individual resident in a Contracting State. The flat-rate tax withheld substitutes the ordinary income tax on the respective capital gains and income items, in the Contracting State where the individual is tax resident. In order to avoid the withholding of the flat-rate tax by the Swiss paying agent, such individuals may opt for a disclosure of the respective capital gains and income items to the tax authorities of the Contracting State where they are tax residents. Switzerland may conclude similar treaties with other European countries, and negotiations are currently being conducted with Greece and Italy. If an amount of, or in respect of, such final withholding tax were to be deducted or withheld from a payment, neither the Issuer nor a paying agent nor any other person would pursuant to the conditions of the Securities be obliged to pay additional amounts with respect to any Notes as a result of the deduction or imposition of such final withholding tax.

### ***U.S. Foreign Account Tax Compliance Withholding***

Whilst the Securities are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the clearing systems (see “*United States Tax Considerations for Investors*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The relevant Issuer’s obligations under the Securities are discharged once it has paid the common depository or common safekeeper for the clearing systems (as registered holder of the Securities, as the case may be) and the relevant Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

### ***Conflicts of Interest***

Where the Issuer acts as Calculation Agent or the Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and investors, including, without limitation, with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Securities that may influence the amount receivable on the Securities.

The Issuer and its Affiliates are actively engaged in financial services businesses globally and may in the course of such businesses have or develop business relationships with third parties including the entities to which any Reference Underlying relates (including, without limitation, lending, depository, risk management, advisory and banking relationships). They may also, amongst other things, be members of and/or have an ownership interest in, an exchange or other venue on which securities are traded, make markets in securities, buy or sell securities on a principal or proprietary basis and/or take direct or indirect interests in securities, including a Reference Underlying, whether by way of security interest or otherwise. In acting in these capacities the Issuer and/or its Affiliates may at the date hereof or at any time hereafter have or acquire non-public information with respect to a Reference Underlying and/or the entities to which such Reference Underlying relates that is or may be material in the context of the Securities, which will not be provided to any Securityholders or investors. For the avoidance of doubt, there is no obligation on the Issuer the Dealers or any of their respective Affiliates to disclose to any Securityholders or investors any such information. In addition, the interests of the Issuer and/or its Affiliates may conflict with the interests of the Securityholders and investors. The Issuer reserves the right to take such actions as it considers necessary or appropriate (including without limitation any sale, disposal or enforcement of security of or over a Reference Underlying) to protect its interests without regard to the consequences for any Securityholders or investors.

### ***Reliance on Clearing System procedures***

Securities issued under the Programme will be represented on issue by one or more Global Securities that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with a nominee for DTC. Except in the circumstances described in each Global Security, investors will not be entitled to receive Securities in definitive form. Each of Euroclear and Clearstream, Luxembourg or DTC, as the case may be, and

their respective direct and indirect participants will maintain records of the beneficial interests in each Global Security held through it. While the Securities are represented by a Global Security, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Securities are represented by one or more Global Securities, the Issuer will discharge its payment obligation under the Securities by making payments through the relevant clearing systems. A holder of a beneficial interest in Global Securities must rely on the procedures of the relevant clearing system and its participants to receive payments under the Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Security.

Holders of beneficial interests in a Global Security will not have a direct right to vote in respect of the Securities so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Securities are legal investments for it, (b) Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

None of the Issuer, the Dealers nor any other Affiliate has or assumes any responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

***No reliance***

Each prospective purchaser of Securities may not rely on and shall not hold any responsibility on the Issuer, the Dealers or any Affiliate in connection with its determination as to any of the matters referred to above.

**(3) Risks relating to redemption, adjustment and modification**

***Early redemption in general***

If the Securities are redeemed early, any such redemption may have an effect on the timing of valuation and consequently the value of the Securities and the relevant Reference Underlyings (or assets constituted thereby). The Early Redemption Amount or such other redemption amounts as specified in the Conditions of the Securities and the applicable Final Terms may be less, or substantially less, than the amount invested by the investor or the Final Redemption Amount payable at maturity had the Securities not been redeemed early. It may in certain circumstances be zero.

If the Securities are redeemed early, an investor may not be able to reinvest the redemption proceeds at a return as high as the return on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential purchasers should consider reinvestment risk in light of other investments available at that time.

Prospective purchasers should review the Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how the relevant early redemption provisions apply to the Securities.

***Optional Redemption by the Issuer***

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

#### ***Redemption Disruption Event***

If a Redemption Disruption Event (as described in Condition 5(f)) occurs at any time during the period from (and including) the Valuation Date to (but excluding) the Maturity Date or the Early Redemption Date, the Maturity Date or the Early Redemption Date will be extended and the Valuation Date will be postponed. In the event that a Redemption Disruption Event is still operating on the Cut-off Date, then the Valuation Date shall be deemed to be such Cut-off Date, and the Issuer will redeem the Securities on the extended Maturity Date or Early Redemption Date (as the case may be) at the Final Redemption Amount or Early Redemption Amount (as the case may be), together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Maturity Date or Early Redemption Date (as the case may be) provided that the Calculation Agent shall make such adjustment to the Final Redemption Amount or the Early Redemption Amount as it shall determine in good faith and in a commercially reasonable manner to take account of the effect of such Redemption Disruption Event on the Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions, would otherwise be the Final Redemption Amount or the Early Redemption Amount and/or the Calculation Agent may make any other amendments to the Conditions (without the consent of the Securityholders) to take account of the event. The extension of the Maturity Date or Early Redemption Date, the adjustment to the Final Redemption Amount, the Early Redemption Amount and other Conditions and the subsequent redemption of the Securities may (a) have an effect on the value of the Securities and the relevant Reference Underlyings (or assets constituted thereby) and/or (b) delay redemption of the Securities. Prospective purchasers should review the Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

#### ***Hedging Disruption Event and Jurisdictional Event***

Where a Hedging Disruption Event or a Jurisdictional Event (each as described in Condition 5(a)) occurs, the Issuer may decide to (a) suspend its obligations in respect of the Securities; (b) make adjustments to the terms and conditions of the Securities; or (c) redeem the Securities early at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date. Any such suspension or redemption may (i) have an effect on the timing of valuation and consequently the value of the Securities and the relevant Reference Underlyings (or assets constituted thereby) and/or (ii) delay redemption in respect of the Securities. An adjustment to the terms and conditions of the Securities may include an adjustment to the Final Redemption Amount or the Early Redemption Amount. Prospective purchasers should review the Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

#### ***Illegality Event***

Upon the occurrence of an Illegality Event (as described in Condition 5(a)), the Issuer may, but is not obliged to, redeem the Securities at the Early Redemption Amount. Prospective purchasers should review the Terms and Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities. The Terms and Conditions of the Securities are based on English law in effect as at the date of

this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

#### ***Other early redemption events and optional redemption***

Certain additional events (including, if applicable, such events set out in the Applicable Schedules) that may lead to an early redemption of the Securities may apply to the Securities. These include, without limitation, (a) in relation to the Equity Linked Securities, where an Extraordinary Event (as defined in the Applicable Schedule) occurs in relation to a Reference Underlying; or (b) in relation to Index Linked Securities, where an Index Adjustment Event (as defined in the Applicable Schedule) occurs in relation to a Reference Underlying. The applicable Final Terms may also specify other early redemption events. If so specified in the applicable Final Terms, the Securities may also be redeemed at the option of the Issuer or the Securityholders. An optional redemption feature may limit the market value of the Securities. During any redemption period in which the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the redemption amount at which the Securities can be redeemed. This may also be true prior to any redemption period.

#### ***Calculation Agent adjustments***

The Terms and Conditions of the Securities provide that the Calculation Agent may make adjustments to the terms and conditions of the Securities and/or determine that the Issuer shall issue additional Securities to Securityholders under certain circumstances. The applicable Final Terms may also specify other circumstances which would allow the Calculation Agent to make certain determinations and adjustments. These include, without limitation, (a) where a Hedging Disruption Event or a Jurisdictional Event occurs; (b) in relation to the Equity Linked Securities, where a Potential Adjustment Event, Extraordinary Event or Material Change (each as defined in the Applicable Schedule) occurs in relation to a Reference Underlying or the related Reference Entity, as the case may be; or (c) in relation to Index Linked Securities, where an Index Adjustment Event (as defined in the Applicable Schedule) occurs in relation to the Reference Underlying. The applicable Final Terms may also specify other circumstances following which the Calculation Agent may make certain determinations or adjustments. Such determinations and adjustments may have an adverse effect on the value of the Securities.

#### ***Modification***

The Terms and Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

### **(4) Risks relating to certain types of Securities**

#### ***Interest Rate Risks***

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

Where interest on Securities is subject to floating rates of interest or premium that will change subject to changes in market conditions, such changes could adversely affect the rate of interest or premium received on the Securities.

Securities with inverse floating rate may pay interest at a rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Securities with inverse floating rate are more volatile because an increase in the reference

rate not only decreases the interest rate of the Securities, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Securities.

Securities with fixed/floating rate may pay interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Securities with fixed/floating rate may be less favourable than then prevailing spreads on comparable floating rate Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Securities.

#### ***Securities with a multiplier or other leverage factor***

Securities with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### ***Securities where denominations involve integral multiples: definitive Securities***

In relation to any issue of Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Securities may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a nominal amount of Securities such that its holding amounts to a Specified Denomination.

If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### **(5) Risks relating to Reference Underlyings**

#### ***Underlying-linked Securities***

The Securities may be linked to Reference Underlyings, where the amount of principal, distribution, interest and/or premium payable are dependent upon the price or level of, or changes in the price or level of, such Reference Underlyings. In addition, the principal, distribution, interest or premium payable on the Securities may be in one or more currencies which may be different from the currency in which the Securities are denominated. An investment in Underlying-linked Securities may entail significant risks not associated with investments in conventional debt securities. The relevant redemption amount paid by the Issuer in respect of the redemption of Underlying-linked Securities may be less than the amount invested by the investor and may in certain circumstances be zero.

Potential investors in any such Securities should be aware that depending on the terms of the Securities:

- (a) the market price of such Securities may be volatile;
- (b) they may receive no, or a limited amount of, distribution, interest or premium;
- (c) payment of principal, distribution, interest or premium may occur at a different time than expected;
- (d) they may lose all or a substantial portion of their investment;

- (e) the price or level of the relevant Reference Underlying may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if the amount of principal, distribution, interest and/or premium payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the relevant Reference Underlying on principal, distribution, interest or premium payable will be magnified; and
- (g) the timing of changes in the price or level of the relevant Reference Underlying may affect the actual yield to investors, even if the average price or level is consistent with their expectations. In general, the earlier the change in the price of the relevant Reference Underlying, the greater the effect on yield.

The market price of the Securities may be volatile and may be affected by the time remaining to the redemption date, the volatility of the price or level of the relevant Reference Underlying, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant Reference Underlyings (or assets constituted thereby) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such Reference Underlyings may be traded.

The historical performance of a Reference Underlying should not be viewed as an indication of the future performance of such Reference Underlying during the term of any Securities. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Securities and the suitability of such Securities in light of their particular circumstances.

***No Rights of Ownership in Reference Underlying***

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

***Adjustment or alternative provisions for valuation of a Reference Underlying***

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

***Issuer determination in respect of a Reference Underlying, adjustment to or early redemption of the Securities and reinvestment risk following such early redemption***

If the Issuer determines that any form of adjustment event in relation to a Reference Underlying has occurred, the Issuer may adjust the terms and conditions of the Securities (without the consent of the Securityholders) or may procure the early redemption of the Securities prior to their scheduled maturity date, in each case, in accordance with such terms and conditions. In the event of such early redemption, the Issuer will pay the early redemption amount in respect of the Securities, which will be determined by the Issuer in accordance with the terms and conditions. Potential investors in the Securities should be aware that this early redemption amount may be less than their initial investment. Following any such early redemption of the Securities, Securityholders may not be able to reinvest the proceeds at any effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors in the Securities should consider reinvestment risk in light of other investments available at that time.



### ***Jurisdictional Events***

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

### ***Emerging Markets***

Securities may be linked to a Reference Underlying in emerging markets. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and bondholder/shareholder risk as further described below.

### ***Event Risk***

On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the value of a Reference Underlying, and in turn, the Securities, and any income derived therefrom, can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which the Securities are issued or traded.

### ***Political Risk***

Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leave them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For Securityholders, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the value of a Reference Underlying, and in turn, the value of Securities, linked to those countries.

### ***Economic Risk***

The economies of emerging markets countries are by their nature in early or intermediate stages of economic development and, therefore, more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which

could adversely affect foreign Securityholders. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of a Reference Underlying linked to a particular market, and in turn, the Securities.

### ***Credit Risk***

Emerging markets sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured (possibly in a Brady Bond-like arrangement) allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country. Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging markets countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, U.S. generally accepted accounting principles.

### ***Currency Risk***

A Reference Underlying may be denominated in currencies other than U.S. dollars, euro or pounds sterling. The weakening of a country's currency relative to the U.S. dollar or other benchmark currencies will negatively affect the value (in U.S. dollar or such other benchmark currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Fluctuations in the exchange rate between any Relevant Currency and the Specified Currency will affect the value of the Securities and the amount payable on redemption of the Securities. In addition, exchange rate fluctuations will affect the U.S. dollar equivalent of any cash dividends or other payments denominated in any Relevant Currency distributed in respect of a Reference Underlying, and, thereby, the level of distribution, interest and/or premium with respect to the Securities (if any).

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. Such controls may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values. As a result, an investor may receive a lesser amount on the Securities than expected, or no amount at all.

### ***Market Risk***

The emerging equity and debt markets of many emerging markets countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets.

Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof

in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

### ***Regulatory/Legal Risk***

In emerging markets countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Securityholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Securityholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

### ***Trade Settlement, Processing and Clearing***

Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. Custodians can include domestic and foreign custodian banks and depositories, among others. The registration, recordkeeping and transfer of securities may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the Issuer will settle trades in emerging markets securities in accordance with the current market practice developed for such transactions by the Emerging Markets Traders Association (“EMTA”). Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and during the interim the market value of a Reference Underlying, and in turn, the Securities linked to such Reference Underlying, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

### ***Bondholder/Shareholder Risk***

Rules in emerging markets countries regulating the ownership and corporate governance of companies (for example, requiring the disclosure of large ownership positions or governing tender offers by majority shareholders) may not exist or may provide little protection to bondholders and shareholders. Disclosure and reporting requirements in general, from annual and quarterly reports to prospectus content and delivery, may be minimal or non-existent. Anti-fraud and insider trading law is generally not very developed in many emerging markets countries. There may be no prohibitions or restrictions under local law on the ability of management to terminate existing business operations, sell or dispose of assets, or otherwise materially affect the value of the

company without the consent of its shareholders. Anti-dilution protection may also be very limited. There may be no fiduciary duty, or a limited concept of fiduciary duty, on the part of management or the directors to the company or to the shareholders as a whole or minority shareholders. Remedies for violations of shareholders' rights may be difficult to obtain because of the absence of a system of derivative or class action litigation.

### ***Credit Quality***

None of the Issuer, the Dealers or any Affiliate makes any representation as to the credit quality of any Reference Entities or any other entities to which any Reference Underlyings relate.

### ***No direct rights in respect of the Reference Underlyings***

An investment in a Security entitles the Securityholder to certain cash payments calculated by reference to the Reference Underlyings to which the Security is linked. It is not an investment directly in the Reference Underlyings (or assets constituted thereby) themselves. An investment in a Security does not entitle the Securityholder or investor to the Reference Underlyings (or assets constituted thereby) themselves nor to the beneficial interest in such Reference Underlyings (or assets constituted thereby). A Security will not represent a claim against the Reference Entities or any other entities to which such Reference Underlyings relate and, in the event of any loss, a Securityholder or investor will not have recourse under a Security against such entities or against any other assets of such entities.

### ***Securities linked to PRC Reference Underlyings***

On 29th September 2009, the State Administration for Foreign Exchange (“SAFE”) issued the Provisions on the Foreign Exchange Administration for Onshore Securities Investment by Qualified Foreign Institutional Investors (“QFII”), which expressly prohibit a QFII (such as a Hedge Provider) from transferring or selling its investment quota. There are regulatory uncertainties as to whether market access products are regarded as in compliance with the relevant rules which prohibit transferring or selling investment quota by a QFII, the China Securities Regulatory Commission and SAFE may implement measures from time to time which may affect Securities with one or more PRC Reference Underlyings.

### ***Securities linked to Indian Reference Underlyings***

The Indian Government has legislated General Anti-Avoidance Rules (“GAAR”) in its domestic tax law, under which certain transactions entered into by foreign institutional investors (“FIIs”) registered with SEBI under the FII Regulations would be taxed if such transactions amounted to "impermissible avoidance agreements" as defined under GAAR. GAAR is effective from 1 April 2015, although the Indian Government clarifications state that investments made before 30 August 2010 would not be tested for GAAR. The scope of GAAR and its impact on transactions done by FIIs is unclear at present and it is possible that Securities with one or more Indian Reference Underlyings may be affected by GAAR.

**The amounts payable under the Securities and market value of the Securities may be adversely affected by movements in the reference price or level of the relevant Reference Underlyings or the prevailing exchange rate. The amount payable on redemption of the Securities may be less than the amount invested by the investor and may be zero.**

**Prospective purchasers of the Securities should note that the Issuer, or an Affiliate of the Issuer, may agree to purchase a substantial proportion of the Securities as principal. In addition purchasers should be aware that under the terms and conditions of the Securities the Issuer or any Affiliate may purchase the Securities at any time. Such Securities may be held, resold, or cancelled. Purchasers should not therefore make any assumption as to the number of Securities in issue at any one time.**

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- (1) All of the information in the Credit Suisse Annual Report 2012 on Form 20-F (the “**Credit Suisse Annual Report 2012**”) (which contains audited consolidated financial statements for CSG and CS and the auditors reports in respect thereof as of 31st December 2012 and 2011, and for each of the years in the three-year period ended 31st December 2012) identified in the following cross-reference list is incorporated by reference in, and forms part of, this Base Prospectus (any information not listed on the cross-reference list but included in the Credit Suisse Annual Report 2012 is considered to be additional information that is not required by the relevant schedules of European Commission Regulation 809/2004, as amended (the “**Prospectus Regulation**”)):

	<i>The page numbers below refer to the Credit Suisse Annual Report 2012</i>
Financial highlights .....	Not paginated
I. Information on the company .....	page 9 (this is a section heading)
Strategy .....	pages 10-12
Our businesses .....	pages 13-21
Organizational and regional structure.....	pages 22-23
Regulation and supervision .....	pages 24-36
Risk Factors .....	pages 37-46
II. Operating and financial review .....	page 47 (this is a section heading)
Operating environment.....	pages 48-50
Credit Suisse.....	pages 51-54
Core Results (including Overview of results) .....	pages 55-67
Private Banking & Wealth Management.....	pages 68-78
Investment Banking.....	pages 79-83
Corporate Center .....	page 84
Assets under management .....	pages 85-87
Critical accounting estimates.....	pages 88-94
III. Treasury, Risk, Balance sheet and Off-balance sheet.....	page 95 (this is a section heading)
Liquidity and funding management.....	pages 96-101
Capital management .....	pages 102-120
Risk management .....	pages 121-148
Balance sheet, off-balance sheet and other contractual obligations .....	pages 149-152
IV. Corporate Governance and Compensation .....	page 153 (this is a section heading)
Corporate Governance.....	pages 154-185
Compensation.....	pages 186-220
V. Consolidated financial statements—Credit Suisse Group .....	page 221 (this is a section heading)
Report of the Independent Registered Public Accounting Firm.....	page 223
Consolidated statements of operations .....	page 225
Consolidated statements of comprehensive income .....	page 225

		<i>The page numbers below refer to the Credit Suisse Annual Report 2012</i>
	Consolidated balance sheets .....	pages 226-227
	Consolidated statements of changes in equity .....	pages 228-230
	Consolidated statements of cash flows .....	pages 231-232
	Supplemental cash flow information .....	page 232
	Notes to the consolidated financial statements .....	pages 233-378
	Controls and procedures .....	page 379
	Report of the Independent Registered Public Accounting Firm .....	page 380
VI.	Parent company financial statements—Credit Suisse Group .....	page 381 (this is a section heading)
	Report of the Statutory Auditor .....	pages 383-384
	Parent company financial statements .....	pages 385-386
	Notes to the financial statements .....	pages 387-398
	Proposed appropriation of retained earnings and capital distribution .....	page 399
	Report on the conditional increase of share capital .....	page 400
VII.	Consolidated financial statements—Credit Suisse (Bank) .....	page 401 (this is a section heading)
	Report of the Independent Registered Public Accounting Firm .....	page 403
	Consolidated statements of operations .....	page 405
	Consolidated statements of comprehensive income .....	page 405
	Consolidated balance sheets .....	pages 406-407
	Consolidated statements of changes in equity .....	pages 408-410
	Consolidated statements of cash flows .....	pages 411-412
	Supplemental cash flow information .....	page 412
	Notes to the consolidated financial statements .....	pages 413-492
	Controls and procedures .....	page 493
	Report of the Independent Registered Public Accounting Firm .....	page 494
VIII.	Parent company financial statements—Credit Suisse (Bank) .....	page 495 (this is a section heading)
	Report of the Statutory Auditor .....	pages 497-498
	Financial review .....	page 499
	Parent company financial statements .....	pages 500-502
	Notes to the financial statements .....	pages 503-511
	Proposed appropriation of retained earnings .....	page 512
IX.	Additional information .....	page 513 (this is a section heading)
	Statistical information .....	pages 514-533
	Other information .....	pages 534-540
	Foreign currency translation rates .....	page 540
Appendix	.....	page A1 (this is a section heading)
	Selected five-year information .....	pages A2-A3
	List of abbreviations .....	pages A4-A5
	Glossary .....	pages A6-A9
	Investor information .....	pages A10-A11
	Financial calendar and contacts .....	page A12
	Cautionary statement regarding forward looking information .....	Not paginated

- (2) The Form 6-K of CS dated 24th April 2013, including as specified in such Form, portions of the Financial Release 1Q13 exhibited thereto (the “**First Quarter Form 6-K dated 24th April 2013**”).

All of the information in the First Quarter Form 6-K dated 24th April 2013 identified in the following cross-reference list is incorporated by reference in, and forms part of, this Base Prospectus (any information not listed on the cross-reference list but included in the First Quarter Form 6-K dated 24th April 2013 is considered to be additional information that is not required by the relevant schedules of the Prospectus Regulation):

*The page numbers below refer to the First Quarter Form 6-K dated 24th April 2013*

Cover Page .....	page 1
Introduction .....	page 2
Forward-Looking Statements .....	page 2
Key information .....	(this is a section heading)
Selected financial data .....	pages 3-4
Operating and financial review and prospects .....	pages 4-5
Treasury and Risk Management .....	page 6
Exhibits .....	page 7

- (3) The Form 6-K of CS dated 8th May 2013, including the “Credit Suisse Financial Report 1Q13” exhibited thereto (the “**First Quarter Form 6-K dated 8th May 2013**”).

All of the information in the Credit Suisse Financial Report 1Q13 exhibited to the First Quarter Form 6-K dated 8th May 2013 identified in the following cross-reference list is incorporated by reference in, and forms part of, this Base Prospectus (any information not listed on the cross-reference list but included in the Credit Suisse Financial Report 1Q13 is considered to be additional information that is not required by the relevant schedules of the Prospectus Regulation):

*The page numbers below refer to the Credit Suisse Financial Report 1Q13 exhibited to the First Quarter Form 6-K dated 8th May 2013*

Financial highlights .....	Not paginated
Table of Contents .....	Not paginated
Credit Suisse at a glance .....	Not paginated
I. Credit Suisse results .....	(this is a section heading)
Operating environment .....	pages 6-8
Credit Suisse .....	pages 9-10
Core Results .....	pages 11-19
Private Banking & Wealth Management .....	pages 20-30
Investment Banking .....	pages 31-34
Assets under management .....	pages 35-36
II. Treasury, risk, balance sheet and off-balance sheet .....	(this is a section heading)
Liquidity and funding management .....	pages 38-40
Capital management .....	pages 41-50
Risk management .....	pages 51-60
Balance sheet and off-balance sheet .....	pages 61-62
III. Condensed consolidated financial statements (unaudited) .....	(this is a section heading)
Report of the Independent Registered Public Accounting Firm .....	page 65
Condensed consolidated financial statements (unaudited), including:	pages 67-149
Consolidated statements of operations (unaudited) .....	page 67
Consolidated statements of comprehensive income (unaudited) .....	page 67
Consolidated balance sheets (unaudited) .....	pages 68-69
Consolidated statements of changes in equity (unaudited) .....	pages 70-72

*The page numbers below refer to the Credit Suisse Financial Report 1Q13 exhibited to the First Quarter Form 6-K dated 8th May 2013*

Consolidated statements of cash flows (unaudited) .....	pages 73-74
Supplemental cash flow information (unaudited) .....	page 74
Notes to the condensed consolidated financial statements (unaudited).....	pages 75-149
List of abbreviations.....	page 150
Investor information.....	page 151
Financial calendar and contacts.....	page 152
Foreign currency translation rates	page 152
Cautionary statement regarding forward-looking information.....	page 153

- (4) The Form 6-K of CSG and CS dated 26th April 2013 (the **Form 6-K dated 26th April 2013**).

All of the information in the Form 6-K dated 26th April 2013 is incorporated in, and forms part of, this Base Prospectus except the following in the release entitled “Annual General Meeting of Shareholders of Credit Suisse Group AG: All Proposals Put Forward by the Board of Directors Approved” (the parts of the Form 6-K dated 26th April 2013 that are not incorporated by reference are either not relevant for the investor or covered in another part of this Base Prospectus):

- (a) the final paragraph under the section entitled “Distribution against reserves from capital contributions” (but including the footnote relating to that section); and
  - (b) the sections entitled “Statements by Urs Rohner, Chairman of the Board of Directors”, “Voting results”, “Inquiries” and “Credit Suisse AG”.
- (5) The Form 6-K of CSG and CS dated 1st July 2013 which contains a media release with respect to the appointment of Joachim Oechslin as Chief Risk Officer on 1 January 2014 (the **“Form 6-K dated 1st July 2013”**)
- (6) The Form 6-K of CS dated 25th July 2013 (the **“Form 6-K dated 25th July 2013”**).

All of the information in the Form 6-K dated 25th July 2013 is incorporated by reference in, and forms part of, this Base Prospectus. For ease of reference, the relevant information on the Form 6-K Dated 25 July 2013, which is incorporated by reference into this Base Prospectus, can be found on the following pages:

*The page numbers below refer to the Form 6-K dated 25th July 2013*

Cover Page .....	page 1
Introduction.....	page 2
Forward-Looking Statements.....	page 2
Key information .....	(this is a section heading)
Selected financial data.....	pages 3-4
Operating and financial review and prospects .....	pages 4-5
Treasury and Risk Management.....	page 6
Exhibits .....	page 7
Signatures.....	page 8

The information incorporated by reference that is not included in the above cross-reference list is considered to be additional information that is not required by the relevant schedules of the Prospectus Regulation.

- (7) The Form 6-K of CS dated 31<sup>st</sup> July 2013 (the **“CS Form 6-K dated 31st July 2013”**).



For ease of reference, the relevant information on the CS Form 6-K Dated 31st July 2013, which is incorporated by reference into this Base Prospectus, can be found on the following pages:

		<i>The page numbers below refer to the CS Form 6-K dated 31st July 201</i>
	Cover Page .....	page 1
	Introduction .....	page 2
	Forward-looking statements .....	page 2
	Condensed consolidated financial statements .....	page 3
	Operating and financial review and prospects .....	page 4
	Exhibits .....	page 5
	Signatures .....	page 6
	Ratio of earnings to fixed charges .....	page 7
	Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm .....	page 8
	Financial highlights .....	page 0 (10 of the PDF file)
	Table of contents .....	page 3 (13 of the PDF file)
	Credit Suisse at a glance .....	page 4 (14 of the PDF file)
I.	Credit Suisse results .....	(this is a section heading)
	Operating environment .....	pages 6-8
	Credit Suisse .....	pages 9-10
	Core Results .....	pages 11-20
	Private Banking & Wealth Management .....	pages 21-31
	Investment Banking .....	pages 32-35
	Assets under management .....	pages 36-37
II.	Treasury, risk, balance sheet and off-balance sheet .....	(this is a section heading)
	Liquidity and funding management .....	pages 40-42
	Capital management .....	pages 43-52
	Risk management .....	pages 53-62
	Balance sheet and off-balance sheet .....	pages 63-64
III.	Condensed consolidated financial statements (unaudited) .....	(this is a section heading)
	Report of the Independent Registered Public Accounting Firm .....	page 67
	Condensed consolidated financial statements (unaudited), including:	pages 69-78
	Consolidated statements of operations (unaudited) .....	page 69
	Consolidated statements of comprehensive income (unaudited) .....	page 69
	Consolidated balance sheets (unaudited) .....	pages 70-71
	Consolidated statements of changes in equity (unaudited) .....	pages 72-76
	Consolidated statements of cash flows (unaudited) .....	pages 77-78
	Supplemental cash flow information (unaudited) .....	page 78
	Notes to the condensed consolidated financial statements (unaudited), including:	pages 79-163
	Summary of significant accounting policies .....	page 79
	Litigation .....	pages 153-154
	Condensed consolidating statements of operations .....	pages 156-159
	Condensed consolidating statements of comprehensive income .....	pages 156-159
	Condensed consolidating balance sheets .....	pages 160-161
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	List of abbreviations .....	page 164
	Investor information .....	page 165
	Foreign currency translation rates .....	page 166
	Cautionary statement regarding forward-looking information .....	page 167
IV.	Table of contents to Credit Suisse (Bank) Financial Statements 6M13 .....	page 10 (180 of the PDF file)
	Report of the Independent Registered Public Accounting Firm .....	page 11
	Credit Suisse (Bank) Condensed consolidated financial statements (unaudited), including:	pages 13-19
	Consolidated statements of operations (unaudited) .....	page 13
	Consolidated statement of comprehensive income (unaudited) .....	page 13

*The page numbers below refer to the CS Form 6-K dated 31st July 201*

Consolidated balance sheets (unaudited).....	pages 14-15
Consolidated statements of changes in equity (unaudited) .....	pages 16-17
Consolidated statements of cash flows (unaudited) .....	pages 18-19
Supplemental cash flow information (unaudited) .....	page 19
Notes to the condensed consolidated financial statements (unaudited), including:	pages 20-77
Summary of significant accounting policies .....	page 20

The information incorporated by reference that is not included in the above cross-reference list is considered to be additional information that is not required by the relevant schedules of the Prospectus Regulation.

- (8) The Form 6-K of CSG dated 31<sup>st</sup> July 2013 (the “**CSG Form 6-K dated 31st July 2013**”).

For ease of reference, the relevant information on the CSG Form 6-K Dated 31st July 2013, which is incorporated by reference into the Base Prospectus, can be found on the following pages:

*The page numbers below refer to the CSG Form 6-K dated 31st July 2013*

Cover Page .....	page 1
Introduction.....	page 2
Forward-Looking Statements.....	page 2
Key information .....	(this is a section heading)
Operating and financial review and prospects.....	pages 3-5
Condensed consolidated financial statements .....	page 6
Exhibits .....	page 7
Signatures.....	page 8
I. Ratio of earnings to fixed charges.....	page 9
II. Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm .....	page 10

The information incorporated by reference that is not included in the above cross-reference list is considered to be additional information that is not required by the relevant schedules of the Prospectus Regulation.

- (9) The articles of association of CS are incorporated by reference herein and are available on the website at [www.credit-suisse.com](http://www.credit-suisse.com) (these are given for information purposes only).
- (10) (a) The Terms and Conditions of the Securities on pages 29 to 58 of the base prospectus of the Issuer dated 4th December 2007; (b) the Terms and Conditions of the Securities on pages 50 to 92 of the base prospectus of the Issuer dated 10th December 2008; (c) the Terms and Conditions of the Securities on pages 54 to 103 of the base prospectus of the Issuer dated 17th December 2009; (d) the Terms and Conditions of the Securities on pages 61 to 114 of the base prospectus of the Issuer dated 16th December 2010; (e) the Terms and Conditions of the Securities on pages 62 to 116 of the base prospectus of the Issuer dated 25th July 2011; and (f) the Terms and Conditions of the Securities on pages 71 to 132 of the base prospectus of the Issuer dated 27 June 2012. Any information other than the Terms and Conditions of the Securities sections in these base prospectuses, and any supplements to such base prospectuses, are **not** incorporated by reference; such information and such supplements are either not relevant to the investor or covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this

Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained, free of charge, from CS's registered office at Paradeplatz 8, CH-8001 Zurich and from the specified offices of the Paying Agents for the time being and are also available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of CS and CSG ([www.credit-suisse.com](http://www.credit-suisse.com)). A copy of the documents filed by CS with the U.S. Securities and Exchange Commission ("SEC") may also be obtained either on the SEC's website at [www.sec.gov](http://www.sec.gov) or at the SEC's public reference room or on the website of CS and CSG at [http://www.credit-suisse.com/investors/en/sec\\_filings.jsp](http://www.credit-suisse.com/investors/en/sec_filings.jsp). Information contained on the website of CS and CSG is not incorporated by reference in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities.

## FORM OF FINAL TERMS WHICH ARE ELIGIBLE FOR RETAIL INVESTORS

Set out below is the form of Final Terms that are applicable to Securities with a denomination of less than €100,000 (or equivalent) only.

[Date]

### CREDIT SUISSE AG

(acting through its Nassau Branch)

**Issue of [Aggregate Nominal Amount or Aggregate Issue Size of Tranche] [Title of Securities]  
under the Programme for the issue of  
Underlying-linked Securities**

**[(to be consolidated and form a single series with the issue by Credit Suisse AG, acting through  
its Nassau branch, of [Aggregate Nominal Amount or Aggregate Issue Size of Previous Tranche]  
[Title of Securities])]⁴**

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [●] [, as supplemented by any Supplement[s] thereto dated [date]] (the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at CS’s registered office at Paradeplatz 8, CH-8001 Zurich, the specified offices of the Paying Agents, and copies may be obtained from Credit Suisse (Hong Kong) Limited, Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. [In addition, these Final Terms and the Base Prospectus are published on the website of the [Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu)][Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] (the “**Original Base Prospectus**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [●] [, as supplemented by any Supplement[s] thereto dated [date]] (the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Original Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Original Base Prospectus and the Base Prospectus. [Copies of the Original Base Prospectus and the Base Prospectus are available for viewing at CS’s registered office at Paradeplatz 8, CH-8001 Zurich, the specified offices of the Paying Agents, and copies may be obtained from Credit Suisse (Hong Kong) Limited, Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. [In addition, these Final

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<sup>4</sup> Include this for further issues.

Terms, the Original Base Prospectus and the Base Prospectus are published on the website of the [Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu)][Irish Stock Exchange at [www.ise.ie](http://www.ise.ie)].]]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information, consideration should be given as to whether such terms or information constitutes “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

[The Securities issued under these Final Terms are to be consolidated and form a single series with [description of original issue] issued on [date] ([security identification codes e.g. ISIN]).]<sup>5</sup>

- |   |                            |   |
|---|----------------------------|---|
| 1 | (i) Series Number:         | [●]   |
|   | (ii) Tranche Number:       | [●]   |
| 2 | (i) Specified Currency:    | [●]   |
|   | (ii) Relevant Currency:    | [●]   |
| 3 | Trading Method:            | [Securities][Nominal Amount]  |
| 4 | Aggregate Nominal Amount:  | [Not Applicable] <sup>6</sup><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
|   | – Tranche:                 | [●]   |
|   | – Series:                  | [●]   |
| 5 | Aggregate Issue Size:      | [Not Applicable] <sup>7</sup><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
|   | – Tranche:                 | [●] [Security(ies)]   |
|   | – Series:                  | [●] [Security(ies)]   |
| 6 | Issue Price:               | [●] [per Security]<br><br>[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]                                   |
| 7 | Specified Denomination(s): | [●]<br><br>[Not Applicable. The Securities are transferable in a minimum number of [●] Security(ies) (equivalent to a nominal amount of [●]).] <sup>8</sup> |
| 8 | Minimum tradeable size:    | [●]<br><br>[Not Applicable. The Securities are transferrable in a   |

<sup>5</sup> Insert for further issuance of Securities.

<sup>6</sup> Insert this if Trading Method is specified as “Securities”.

<sup>7</sup> Insert this if Trading Method is specified as “Nominal Amount”.

<sup>8</sup> Insert this if Trading Method is specified as “Securities”.

		nominal amount of [●]. <sup>9</sup>
9	(i) Issue Date:	[●]
	(ii) Trade Date:	[●]
10	Maturity Date:	[●]
11	Distribution/Interest/Premium Basis:	[Distribution] [Interest - Fixed Rate] [Interest - Floating Rate] [Premium] [Not Applicable]
12	Put/Call Options:	[Investor Put] [Issuer Call]
13	Method of distribution:	[Syndicated/Non-syndicated]

### PROVISIONS RELATING TO DISTRIBUTION, INTEREST AND PREMIUM

14	<b>Distribution Payment Amounts</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Distribution Payment Dates:	[●] [As specified in Condition 3(a).]
15	<b>Fixed Rate Securities Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate[s] of Interest:	[●] per cent. per annum
	(ii) Interest Commencement Date:	[●] <i>(Specify if different from the Issue Date)</i>
	(iii) Interest Payment Date(s):	[[●] in each year/[●]]
	(iv) Interest Amount(s):	[●] per [Specified Denomination/[●] in nominal amount/[●] Security(ies)]
	(v) Broken Amount(s):	[[●] in respect of the initial Interest Period] [[●] in respect of the final Interest Period]
	(vi) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(vii) Determination Date(s):	[Not Applicable] [[●] in each year <i>(insert regular interest payment dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i> ]

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<sup>9</sup> Insert this if Trading Method is specified as “Nominal Amount”.

16	<b>Floating Rate Securities Provisions</b>	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Interest Period(s)/ Specified Interest Payment Dates: [●]</p> <p>(ii) Interest Commencement Date: [Issue Date][●] <i>(Specify if different from the Issue Date)</i></p> <p>(iii) ISDA Determination:</p> <ul style="list-style-type: none"> <li>– Floating Rate Option: [●]</li> <li>– Designated Maturity: [●]</li> <li>– Reset Date: [●]</li> </ul> <p>(iv) Margin(s): [+/-] [●] per cent. per annum</p> <p>(v) Minimum Rate of Interest: [●] per cent. per annum</p> <p>(vi) Maximum Rate of Interest: [●] per cent. per annum</p> <p>(vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]</p> <p>(viii) Determination Date(s): [Not Applicable] [[●] in each year <i>(insert regular interest payment dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i>]</p> <p>(ix) Rate Multiplier: [●]</p>
17	<b>Premium Provisions</b>	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Rate(s) of Premium: [●] per cent. per annum</p> <p>(ii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]</p> <p>(iii) Determination Date(s): [Not Applicable] [[●] in each year <i>(insert regular premium payment dates, ignoring the maturity date in the case of a long or short last premium. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i>]</p> <p>(iv) Premium Commencement Date: [Issue Date][●] <i>(Specify if different from the Issue Date)</i></p> <p>(v) Premium Amount(s): [●] per [Specified Denomination/[●] in nominal amount/[●] Security(ies)]</p>

- (vi) Premium Payment Date(s):  in each year  
 Each Interest Payment Date

## PROVISIONS RELATING TO REDEMPTION

- 18 (i) Final Redemption Amount/ Method of calculation:  (use if Final Redemption Amount specified pursuant to final sub-paragraph of definition of “Final Redemption Amount”; otherwise select one of the following options)  
 Participation Securities  
 Outperformance Securities
- (ii) Outperformance Factor (for Outperformance Securities only):  [Not Applicable]
- (iii) Delivery of Further Securities in lieu of Final Redemption Amount at the option of the Issuer:  [Not Applicable][Applicable: the U.S. tax treatment of such Further Securities shall be [the same as that for the Securities as outlined in the section of the Base Prospectus entitled “Taxation”][specify other].]
- 19 Determination City:
- 20 Valuation Date: , subject to adjustment in accordance with the Conditions.
- 21 Issuer Call:  [Applicable]  [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Minimum Redemption Amount:
- (ii) Maximum Redemption Amount:
- 22 Investor Put:  [Applicable]  [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Minimum Redemption Amount:
- (ii) Maximum Redemption Amount:
- (iii) Investor Put Cut-off Time:
- 23 (i) Early Redemption Amount/ Method of calculation:  (use if Early Redemption Amount specified pursuant to final sub-paragraph of definition of “Early Redemption Amount”; otherwise select one of the following options)  
 Participation Securities  
 Outperformance Securities  
– Break Fee Percentage: % (use for Outperformance Securities only)
- (ii) Delivery of Further Securities in lieu of Early Redemption Amount:  [Not Applicable][Applicable: the U.S. tax treatment of such Further Securities shall be [the same as that for the Securities as outlined in the section of the Base Prospectus entitled “Taxation”][specify other].]



24	Early Redemption Date:	[As specified in the Conditions] [(i) in relation to a redemption at the option of the Issuer pursuant to Condition 5(c), Condition 5(d), Condition 5(g), Condition 5(h) or the Applicable Schedule, the date falling [●] Business Days after the Notice Date; and (ii) in relation to a redemption at the option of the Securityholder pursuant to Condition 5(e), the date falling [●] Business Days after the Notice Date]
25	Type of Reference Underlying:	[Single Reference Underlying][Basket of Reference Underlyings][Index][Multi-Exchange Index]

**PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)**

[Applicable/Not Applicable]  
*(If the Securities are Equity Linked Securities linked to Single Reference Underlying, these provisions relating to Equity Linked Securities (for Securities linked to Single Reference Underlying) should be completed.)*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

26	Number of Reference Underlyings:	[●]
27	Information relating to the Reference Underlyings:	[●]
	– Reference Entity:	[●]
	– Security Code of the Reference Underlyings:	[ISIN: [●]] [Bloomberg: [●]]
	– Exchange:	[●]
	– Related Exchange:	[●]/[All Exchanges]
28	Reference Underlying Jurisdiction:	[●]
29	Reference Price:	[Reference Price – Execution Price] [Reference Price – VWAP] [Reference Price – Closing Price]
30	Valuation Period:	[As specified in the Conditions] [●]
31	Additional Disruption Events:	
	– Change of Law:	[Applicable] [Not Applicable]
	– GDR Termination Event:	[Applicable] [Not Applicable]
	– Increased Cost of Hedging:	[Applicable] [Not Applicable]
	– Insolvency Filing:	[Applicable] [Not Applicable]

**PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)**

[Applicable/Not Applicable]  
*(If the Securities are Equity Linked Securities linked to a Basket of Reference Underlyings then these provisions relating to Equity Linked Securities (for Securities linked to a Basket) should be completed.)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

		<b>[Basket Component 1]</b>	<b>[Basket Component 2]</b>	<b>[Basket Component 3]</b>
32	Number of Basket Component Reference Underlyings:	[●]	[●]	[●]
33	Information relating to the Basket Component Reference Underlyings:			
	– Reference Entity:	[●]	[●]	[●]
	– Security Code of the Basket Components:	[ISIN: [●]] [Bloomberg: [●]]	[ISIN: [●]] [Bloomberg: [●]]	[ISIN: [●]] [Bloomberg: [●]]
	– Exchange:	[●]	[●]	[●]
	– Related Exchange:	[●]	[●]	[●]
		<i>[Alternatively, specify “All Exchanges”.]</i>		
34	Reference Underlying Jurisdiction:	<b>[Basket Component 1]</b>	<b>[Basket Component 2]</b>	<b>[Basket Component 3]</b>
		[●]	[●]	[●]
35	Reference Price:	[Reference Price – Execution Price] [Reference Price – VWAP] [Reference Price – Closing Price]		
36	Valuation Period:	[●] [As specified in the Conditions] [●]		
37	Additional Disruption Events:			
	– Change of Law:	[Applicable] [Not Applicable]		
	– GDR Termination Event:	[Applicable] [Not Applicable]		
	– Increased Cost of Hedging:	[Applicable] [Not Applicable]		
	– Insolvency Filing:	[Applicable] [Not Applicable]		

**PROVISIONS RELATING TO INDEX LINKED SECURITIES**

[Applicable/Not Applicable]

*(If the Securities are Index Linked Securities, these provisions relating to Index Linked Securities below should be completed.)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

38	Information relating to the Reference Underlyings:	[●]
	– Code of the Reference Underlyings:	[●]
	– Related Exchange:	[●]/[All Exchanges]
	– Description of the Reference	<i>[Include description of the Reference Underlying if it is</i>

	Underlying:	<i>composed by the Issuer. If the Reference Underlying is not composed by the Issuer, where information about the Reference Underlying can be obtained.]</i>
39	Index Currency Amount:	[●]
40	Valuation Period:	[As specified in the Conditions] [●]
41	Reference Underlying Jurisdiction:	[●]

## GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

42	Form of Securities:	[Regulation S][Rule 144A] Global Security
43	Additional Financial Centre(s) or other special provisions relating to Payment Day:	[Applicable: [●]] [Not Applicable]
44	Calculation Agent:	[Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong] [Credit Suisse Securities (Europe) Limited] [●] <i>[Insert address]</i>
45	Principal Paying Agent:	[Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong] [●] <i>[Insert address]</i>
46	Registrar and Transfer Agent:	[Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong] [●] <i>[Insert address]</i>

## DISTRIBUTION

47	If syndicated, names and addresses of managers and underwriting commitments:	[Not Applicable/ <i>give names, and addresses and underwriting commitments</i> ]
	(i) Date of subscription agreement (if any):	[Not Applicable][Applicable – <i>specify</i> ]
	(ii) Stabilising manager (if any):	[Not Applicable/ <i>give name and address</i> ]
48	If non-syndicated, name and address of relevant Dealer (if any):	[Credit Suisse (Hong Kong) Limited Level 88, International Commerce Centre, 1 Austin Road West,

- Kowloon, Hong Kong]  
[Credit Suisse Securities (Europe) Limited]  
[Name and address of other dealer]  
[Not applicable]
- 49 Total commission and concession: [[●] per cent. of the Aggregate Nominal Amount]/[●][Not Applicable]
- 50 Non-exempt Offer: An offer of the Securities may be made by the Dealers [and [specify names of other Authorised Offerors, if any]] (together with the Dealers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s), which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] until [the Issue Date][the date which falls [●] Business Days after the Issue Date] (“**Offer Period**”). See further paragraph [11] of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)*

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [, admission to trading on the [regulated market of the Luxembourg Stock Exchange][regulated market of the Irish Stock Exchange][●] and listing on the [Official List of Luxembourg Stock Exchange][Official List of the Irish Stock Exchange][●]] of the Securities described herein pursuant to the Issuer’s Programme for the issue of Underlying-linked Securities.

## INFORMATION RELATING TO THE UNDERLYING

[[Relevant third party information, for example, the information included under “Information relating to the Reference Underlyings”, “Information relating to the Basket Components” and Paragraphs [7-9] of Part B below in these Final Terms] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced inaccurate or misleading.] Neither the Issuer nor any of its affiliates has participated in the preparation of such information or made any due diligence inquiry with respect to the issuer, owner or sponsor of any Reference Underlyings in connection with the Securities. Neither the Issuer nor any of its affiliates has

independently verified any such information and neither the Issuer nor any of its affiliates makes any representation or warranty as to the accuracy of such information.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1 LISTING AND ADMISSION TO TRADING**

- (i) Listing: [Luxembourg Stock Exchange/Irish Stock Exchange/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on the [regulated market of the Luxembourg Stock Exchange][regulated market of the Irish Stock Exchange][●] with effect from [●].]  
[Not Applicable]
- (Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)*

### **2 RATINGS**

- Ratings: [The Securities to be issued [have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [[Insert the legal name of the relevant credit rating agency entity] is established in the European Union and is registered under Regulation (EC) No.*

1060/2009 (as amended). [As such *[insert the legal name of the relevant credit rating agency entity]* is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

*[[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). *[Insert the legal name of the relevant non-EU credit rating agency entity]* is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

*[[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings have been endorsed by *[insert the legal name of the relevant EU-registered credit rating agency entity]* in accordance with the CRA Regulation. *[Insert the legal name of the relevant EU-registered credit rating agency entity]* is established in the European Union and registered under the CRA Regulation. [As such *[insert the legal name of the relevant EU credit rating agency entity]* is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]] [The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by *[insert the legal name of the relevant EU CRA entity that applied for registration]* may be used in the EU by the relevant market participants.]

*[[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”), but it [is]/[has applied to be] certified in accordance with the CRA Regulation *[[EITHER:]* and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance

with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and [*insert the legal name of the relevant credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*], although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].] [The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

### **3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

[[Save for any fees payable to the Dealers/manager[s]], so far as the Issuer is aware, no person involved in the [issue/offer] of the Securities has an interest material to the [issue/offer]. – *Amend as appropriate if there are other interests*]

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

### **4 [NOTIFICATION]**

*The Commission de Surveillance du Secteur Financier [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] [the Central Bank of Ireland (Ireland)] [other relevant competent authority] with a certificate of approval attesting that the Base Prospectus and these Final Terms have been drawn up in accordance with the Prospectus Directive.]*

### **5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer:

[●]

*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

(ii) Estimated net proceeds:

[●]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses:

[●] [Include breakdown of expenses]

*(If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### **6 [YIELD] (to include for Securities with fixed rate interest only)**

Indication of yield:

[●]

### **7 [HISTORICAL INTEREST RATES] (to include for Securities with floating rate interest only)**

[Details of historical [LIBOR/EURIBOR/other] rates can be obtained from [Reuters/other].]



**8 PERFORMANCE OF THE REFERENCE UNDERLYINGS AND OTHER INFORMATION CONCERNING THE REFERENCE UNDERLYINGS** *(to include for all Underlying-linked Securities)*

*[Need to include details of where past and future performance and volatility of the Reference Underlyings (e.g. the website of the issuer of the Reference Underlyings) can be obtained.]*

*[Where a Reference Underlying is an index, need to include the name of the index details of where the information about the index can be obtained.]*

*[Where a Reference Underlying is an interest rate, need to include a description of the interest rate.]*

*[Where a Reference Underlying does not fall within the categories specified above, to include equivalent information.]*

*[Where the Securities are linked to a Basket of Reference Underlyings, to include disclosure of the relevant weightings of each Basket Component in the basket.]*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

*(N.B. This paragraph 8 only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**9 PERFORMANCE OF RATE[S] OF EXCHANGE** *(to include for Securities with multiple currencies)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factor” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

*(N.B. This paragraph only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**10 OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

CUSIP: [•]

Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or DTC and the relevant identification number(s): [Applicable - *specify*] [Not Applicable]

Delivery: [Delivery against payment]/[Free of payment]

Names and addresses of additional Paying Agent(s) (if any): [None] [*specify*]

## 11 TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price] [ <i>specify</i> ]
Conditions to which the offer is subject:	[Not applicable/ <i>give details</i> ]
Time period, including any possible amendments, during which the offer will be open:	[Not applicable/ <i>give details</i> ]
Description of the application process:	[Not applicable/ <i>give details</i> ]
Details of the minimum and/or maximum amount of application:	[Not applicable/ <i>give details</i> ]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/ <i>give details</i> ]
Details of the method and time limits for paying up and delivering the Securities:	[Not applicable/ <i>give details</i> ]
Manner in and date on which results of the offer are to be made public:	[Not applicable/ <i>give details</i> ]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/ <i>give details</i> ]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/ <i>give details</i> ]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/ <i>give details</i> ]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/ <i>give details</i> ]

## 12 ISSUE SPECIFIC SUMMARY

*(Issue specific summary to be extracted from Summary section of the Base Prospectus with appropriate deletions of non-applicable information and insertion of missing details.)*

## FORM OF FINAL TERMS WHICH ARE NOT ELIGIBLE FOR RETAIL INVESTORS

Set out below is the form of Final Terms that are applicable to Securities with a denomination of at least €100,000 (or equivalent) only.

[Date]

### CREDIT SUISSE AG

(acting through its Nassau Branch)

**Issue of [Aggregate Nominal Amount or Aggregate Issue Size of Tranche] [Title of Securities]  
under the Programme for the issue of  
Underlying-linked Securities**

**[(to be consolidated and form a single series with the issue by Credit Suisse AG, acting through  
its Nassau branch, of [Aggregate Nominal Amount or Aggregate Issue Size of Previous Tranche]  
[Title of Securities])] <sup>10</sup>**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [●] [, as supplemented by any Supplement[s] thereto dated [date]] (the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at CS’s registered office at Paradeplatz 8, CH-8001 Zurich, the specified offices of the Paying Agents, and copies may be obtained from Credit Suisse (Hong Kong) Limited, Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. [In addition, these Final Terms and the Base Prospectus are published on the website of the [Luxembourg Stock Exchange at www.bourse.lu][Irish Stock Exchange at www.ise.ie].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [original date] (the “**Original Base Prospectus**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated [●] [, as supplemented by any Supplement[s] thereto dated [date]] (the “**Base Prospectus**”) which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Original Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Original Base Prospectus and the Base Prospectus. [Copies of the Original Base Prospectus and the Base Prospectus are available for viewing at CS’ registered office at Paradeplatz 8, CH-8001 Zurich, the specified offices of the Paying Agents, and copies may be obtained from Credit Suisse (Hong Kong) Limited, Level 88, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. [In addition, these Final

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<sup>10</sup> Include this for further issues.

Terms, the Original Base Prospectus and the Base Prospectus are published on the website of the [Luxembourg Stock Exchange at www.bourse.lu][Irish Stock Exchange at www.ise.ie].]]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. *Italics denote directions for completing the Final Terms.*]

[When adding any other final terms or information, consideration should be given as to whether such terms or information constitutes “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[The Securities issued under these Final Terms are to be consolidated and form a single series with [description of original issue] issued on [date] ([security identification codes e.g. ISIN]).]<sup>11</sup>

- |   |                            |  |
|---|----------------------------|--|
| 1 | (i) Series Number:         | [●]  |
|   | (ii) Tranche Number:       | [●]  |
| 2 | (i) Specified Currency:    | [●]  |
|   | (ii) Relevant Currency:    | [●]  |
| 3 | Trading Method:            | [Securities][Nominal Amount]   |
| 4 | Aggregate Nominal Amount:  | [Not Applicable] <sup>12</sup><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                      |
|   | – Tranche:                 | [●]  |
|   | – Series:                  | [●]  |
| 5 | Aggregate Issue Size:      | [Not Applicable] <sup>13</sup><br><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>                                      |
|   | – Tranche:                 | [●] [Security(ies)]  |
|   | – Series:                  | [●] [Security(ies)]  |
| 6 | Issue Price:               | [●] [per Security]<br>[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]                                    |
| 7 | Specified Denomination(s): | [●]<br>[Not Applicable. The Securities are transferable in a minimum number of [●] Security(ies) (equivalent to a nominal amount of [●]).] <sup>14</sup> |
| 8 | Minimum tradeable size:    | [●]<br>[Not Applicable. The Securities are transferrable in a nominal amount of [●].] <sup>15</sup>  |

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<sup>11</sup> Insert for further issuance of Securities.

<sup>12</sup> Insert this if Trading Method is specified as “Securities”.

<sup>13</sup> Insert this if Trading Method is specified as “Nominal Amount”.

<sup>14</sup> Insert this if Trading Method is specified as “Securities”.

<sup>15</sup> Insert this if Trading Method is specified as “Nominal Amount”.

9	(i) Issue Date:	[●]
	(ii) Trade Date:	[●]
10	Maturity Date:	[●]
11	Distribution/Interest/Premium Basis:	[Distribution] [Interest - Fixed Rate] [Interest - Floating Rate] [Premium] [Not Applicable]
12	Put/Call Options:	[Investor Put] [Issuer Call]
13	Method of distribution:	[Syndicated/Non-syndicated]

### PROVISIONS RELATING TO DISTRIBUTION, INTEREST AND PREMIUM

14	<b>Distribution Payment Amounts</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Distribution Payment Dates:	[●] [As specified in Condition 3(a).]
15	<b>Fixed Rate Securities Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate[(s)] of Interest:	[●] per cent. per annum
	(ii) Interest Commencement Date:	[●] <i>(Specify if different from the Issue Date)</i>
	(iii) Interest Payment Date(s):	[[●] in each year/[●]]
	(iv) Interest Amount(s):	[●] per [Specified Denomination/[●] in nominal amount/[●] Security(ies)]
	(v) Broken Amount(s):	[[●] in respect of the initial Interest Period] [[●] in respect of the final Interest Period]
	(vi) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/360/360/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(vii) Determination Date(s):	[Not Applicable] [[●] in each year <i>(insert regular interest payment dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i> ]
16	<b>Floating Rate Securities Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Period(s)/Specified	[●]

	Interest Payment Dates:	
	(ii) Interest Commencement Date:	[Issue Date][●] <i>(Specify if different from the Issue Date)</i>
	(iii) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	(iv) Margin(s):	[+/-] [●] per cent. per annum
	(v) Minimum Rate of Interest:	[●] per cent. per annum
	(vi) Maximum Rate of Interest:	[●] per cent. per annum
	(vii) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(viii) Determination Date(s):	[Not Applicable] [[●] in each year <i>(insert regular interest payment dates, ignoring the Maturity Date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i> ]
	(ix) Rate Multiplier:	[●]
17	<b>Premium Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate(s) of Premium:	[●] per cent. per annum
	(ii) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
	(iii) Determination Date(s):	[Not Applicable] [[●] in each year <i>(insert regular premium payment dates, ignoring the maturity date in the case of a long or short last premium. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i> ]
	(iv) Premium Commencement Date:	[Issue Date][●] <i>(Specify if different from the Issue Date)</i>
	(v) Premium Amount(s):	[●] per [Specified Denomination/[●] in nominal amount/[●] Security(ies)]
	(vi) Premium Payment Date(s):	[[●] in each year] [Each Interest Payment Date] [●]

## PROVISIONS RELATING TO REDEMPTION

- 18 (i) Final Redemption Amount/  
Method of calculation: [●] (*use if Final Redemption Amount specified pursuant to final sub-paragraph of definition of “Final Redemption Amount”*; otherwise select one of the following options)  
[Participation Securities]  
[Outperformance Securities]
- (ii) Outperformance Factor (*for Outperformance Securities only*): [●] [Not Applicable]
- (iii) Delivery of Further Securities in lieu of Final Redemption Amount at the option of the Issuer: [Not Applicable][Applicable: the U.S. tax treatment of such Further Securities shall be [the same as that for the Securities as outlined in the section of the Base Prospectus entitled “Taxation”][specify other].]
- 19 Determination City: [●]
- 20 Valuation Date: [●], subject to adjustment in accordance with the Conditions.
- 21 Issuer Call: [Applicable] [Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- 22 Investor Put: [Applicable] [Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (iii) Investor Put Cut-off Time: [●]
- 23 (i) Early Redemption Amount/  
Method of calculation: [●] (*use if Early Redemption Amount specified pursuant to final sub-paragraph of definition of “Early Redemption Amount”*; otherwise select one of the following options)  
[Participation Securities]  
[Outperformance Securities]  
– Break Fee Percentage: [●] per cent. (*Use for Outperformance Securities only*)
- (ii) Delivery of Further Securities in lieu of Early Redemption Amount: [Not Applicable][Applicable: the U.S. tax treatment of such Further Securities shall be [the same as that for the Securities as outlined in the section of the Base Prospectus entitled “Taxation”][specify other].]
- 24 Early Redemption Date: [As specified in the Conditions] [(i) in relation to a redemption at the option of the Issuer pursuant to Condition 5(c), Condition 5(d), Condition 5(g),

		Condition 5(h) or the Applicable Schedule, the date falling [●] Business Days after the Notice Date; and (ii) in relation to a redemption at the option of the Securityholder pursuant to Condition 5(e), the date falling [●] Business Days after the Notice Date]
25	Type of Reference Underlying:	[Single Reference Underlying][Basket of Reference Underlyings][Index][Multi-Exchange Index]
	<b>PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to Single Reference Underlying)</b>	[Applicable/Not Applicable] <i>(If the Securities are Equity Linked Securities linked to Single Reference Underlying, these provisions relating to Equity Linked Securities (for Securities linked to Single Reference Underlying) should be completed.)</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
26	Number of Reference Underlyings:	[●]
27	Information relating to the Reference Underlyings:	[●]
	– Reference Entity:	[●]
	– Security Code of the Reference Underlyings:	[ISIN: [●]] [Bloomberg: [●]]
	– Exchange:	[●]
	– Related Exchange:	[●]/[All Exchanges]
28	Reference Underlying Jurisdiction:	[●]
29	Reference Price:	[Reference Price – Execution Price] [Reference Price – VWAP] [Reference Price – Closing Price]
30	Valuation Period:	[As specified in the Conditions] [●]
31	Additional Disruption Events:	
	– Change of Law:	[Applicable] [Not Applicable]
	– GDR Termination Event:	[Applicable] [Not Applicable]
	– Increased Cost of Hedging:	[Applicable] [Not Applicable]
	– Insolvency Filing:	[Applicable] [Not Applicable]



**PROVISIONS RELATING TO EQUITY LINKED SECURITIES (for Securities linked to a Basket)**

[Applicable/Not Applicable]

*(If the Securities are Equity Linked Securities linked to a Basket of Reference Underlying then these provisions relating to Equity Linked Securities (for Securities linked to a Basket) should be completed.)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

		<b>[Basket Component 1]</b>	<b>[Basket Component 2]</b>	<b>[Basket Component 3]</b>
32	Number of Basket Component Reference Underlyings:	[●]	[●]	[●]
33	Information relating to the Basket Component Reference Underlyings:			
	– Reference Entity:	[●]	[●]	[●]
	– Security Code of the Basket Components:	[ISIN: [●]] [Bloomberg: [●]]	[ISIN: [●]] [Bloomberg: [●]]	[ISIN: [●]] [Bloomberg: [●]]
	– Exchange:	[●]	[●]	[●]
	– Related Exchange:	[●]	[●]	[●]
		<i>[Alternatively, specify “All Exchanges”.]</i>		
34	Reference Underlying Jurisdiction:	<b>[Basket Component 1]</b>	<b>[Basket Component 2]</b>	<b>[Basket Component 3]</b>
		[●]	[●]	[●]
35	Reference Price:	[Reference Price – Execution Price] [Reference Price – VWAP] [Reference Price – Closing Price]		
36	Valuation Period:	[●] [As specified in the Conditions] [●]		
37	Additional Disruption Events:			
	– Change of Law:	[Applicable]	[Not Applicable]	
	– GDR Termination Event:	[Applicable]	[Not Applicable]	
	– Increased Cost of Hedging:	[Applicable]	[Not Applicable]	
	– Insolvency Filing:	[Applicable]	[Not Applicable]	

**PROVISIONS RELATING TO INDEX LINKED SECURITIES**

[Applicable/Not Applicable]

*(If the Securities are Index Linked Securities, these provisions relating to Index Linked Securities below should be completed.)*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*

38	Information relating to the Reference	[●]
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Underlyings:

- Code of the Reference Underlyings: [●]
  - Related Exchange: [●]/[All Exchanges]
  - Description of the Reference Underlying: *[Include description of the Reference Underlying if it is composed by the Issuer. If the Reference Underlying is not composed by the Issuer, where information about the Reference Underlying can be obtained.]*
- 39 Index Currency Amount: [●]
- 40 Valuation Period: [As specified in the Conditions] [●]
- 41 Reference Underlying Jurisdiction: [●]

**GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

- 42 Form of Securities: [Regulation S][Rule 144A] Global Security
- 43 Additional Financial Centre(s) or other special provisions relating to Payment Day: [Applicable: [●]] [Not Applicable]
- 44 Calculation Agent: [Credit Suisse (Hong Kong) Limited  
Level 88, International Commerce Centre,  
1 Austin Road West,  
Kowloon, Hong Kong]  
[Credit Suisse Securities (Europe) Limited]  
[●]  
*[Insert address]*
- 45 Principal Paying Agent: [Credit Suisse (Hong Kong) Limited  
Level 88, International Commerce Centre,  
1 Austin Road West,  
Kowloon, Hong Kong]  
[●]  
*[Insert address]*
- 46 Registrar and Transfer Agent: [Credit Suisse (Hong Kong) Limited  
Level 88, International Commerce Centre,  
1 Austin Road West,  
Kowloon, Hong Kong]  
[●]  
*[Insert address]*

**DISTRIBUTION**

- 47 If syndicated, names and addresses of managers and underwriting commitments: [Not Applicable/give names, and addresses and underwriting commitments]
- (i) Date of subscription agreement [Not Applicable][Applicable – specify]

- (if any):
- (ii) Stabilising manager (if any): [Not Applicable/*give name and address*]
- 48 If non-syndicated, name and address of relevant Dealer (if any): [Credit Suisse (Hong Kong) Limited  
Level 88, International Commerce Centre,  
1 Austin Road West,  
Kowloon, Hong Kong]  
[Credit Suisse Securities (Europe) Limited]  
[*Name and address of other dealer*]  
[Not applicable]
- 49 Total commission and concession: [[●] per cent. of the Aggregate Nominal Amount]/[●][Not Applicable]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [, admission to trading on the [regulated market of the Luxembourg Stock Exchange][regulated market of the Irish Stock Exchange][●] and listing on the [Official List of Luxembourg Stock Exchange][Official List of the Irish Stock Exchange][●]] of the Securities described herein pursuant to the Issuer's Programme for the issue of Underlying-linked Securities.

## INFORMATION RELATING TO THE UNDERLYING

[[*Relevant third party information, for example, the information included under "Information relating to the Reference Underlyings", "Information relating to the Basket Components" and paragraphs [7-9] of Part B below in these Final Terms*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced inaccurate or misleading.] Neither the Issuer nor any of its affiliates has participated in the preparation of such information or made any due diligence inquiry with respect to the issuer, owner or sponsor of any Reference Underlyings in connection with the Securities. Neither the Issuer nor any of its affiliates has independently verified any such information and neither the Issuer nor any of its affiliates makes any representation or warranty as to the accuracy of such information.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
*Duly authorised*

## PART B – OTHER INFORMATION<sup>16</sup>

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg Stock Exchange/Irish Stock Exchange/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on the [regulated market of the Luxembourg Stock Exchange][regulated market of the Irish Stock Exchange][●] with effect from [●].]  
[Not Applicable]  
*(Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: [The Securities to be issued [have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].]  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*  
*(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*  
[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]  
[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit*

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<sup>16</sup> Please note that if an issue of Securities is neither admitted to trading on a regulated market in the EEA nor offered to the public in the EEA, then only sections 1, 2 and 10 need to be completed and sections 3-8 and 11 can be deleted.

*rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings have been endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. [As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]] [The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by [*insert the legal name of the relevant EU CRA entity that applied for registration*] may be used in the EU by the relevant market participants.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [[EITHER:] and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [[OR:] although notification of the corresponding certification decision has not yet been provided by the European Securities and Markets Authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union

and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority [and *[insert the legal name of the relevant credit rating agency entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation].]

*[[Insert the legal name of the relevant non-EU credit rating agency entity]* is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). However, the application for registration under the CRA Regulation of *[insert the legal name of the relevant EU credit rating agency entity that applied for registration]*, which is established in the European Union, disclosed the intention to endorse credit ratings of *[insert the legal name of the relevant non-EU credit rating agency entity]*, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority and *[insert the legal name of the relevant EU credit rating agency entity]* is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]. [The European Securities Markets Authority has indicated that ratings issued in [Japan/Australia/the USA/Canada/Hong Kong/Singapore/Argentina/Mexico (delete as appropriate)] which have been endorsed by *[insert the legal name of the relevant EU CRA entity that applied for registration]* may be used in the EU by the relevant market participants.]

### **3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

*[[Save for any fees payable to the Dealers/manager[s]], so far as the Issuer is aware, no person involved in the [issue/offer] of the Securities has an interest material to the [issue/offer]. – Amend as appropriate if there are other interests]*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

#### 4 [NOTIFICATION]

*The Commission de Surveillance du Secteur Financier [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] [the Central Bank of Ireland (Ireland)] [other relevant competent authority] with a certificate of approval attesting that the Base Prospectus and these Final Terms have been drawn up in accordance with the Prospectus Directive.]*

#### 5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i) Reasons for the offer: [•]  
*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*
- [(ii) Estimated net proceeds: [•]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]*
- [(iii) Estimated total expenses: [•] [Include breakdown of expenses]]  
*(If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]*

#### 6 [YIELD] *(to include for Securities with fixed rate interest only)*

Indication of yield: [•]

#### 7 [HISTORICAL INTEREST RATES] *(to include for Securities with floating rate interest only)*

[Details of historical [LIBOR/EURIBOR/other] rates can be obtained from [Reuters/other].]

#### 8 PERFORMANCE OF THE REFERENCE UNDERLYINGS AND OTHER INFORMATION CONCERNING THE REFERENCE UNDERLYINGS *(to include for all Underlying-linked Securities)*

*[Need to include details of where past and future performance and volatility of the Reference Underlyings (e.g. the website of the issuer of the Reference Underlyings) can be obtained.]*

*[Where a Reference Underlying is an index, need to include the name of the index and details of where the information about the index can be obtained.]*

*[Where a Reference Underlying is an interest rate, need to include a description of the interest rate.]*

*[Where a Reference Underlying does not fall within the categories specified above, to include equivalent information.]*

*[Where the Securities are linked to a Basket of Reference Underlyings, to include disclosure of the relevant weightings of each Basket Component in the basket.]*

*(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

*(N.B. This paragraph 8 only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**9 PERFORMANCE OF RATE[S] OF EXCHANGE** *(to include for Securities with multiple currencies)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factor” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

*(N.B. This paragraph only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**10 OPERATIONAL INFORMATION**

ISIN:	[•]
Common Code:	[•]
CUSIP:	[•]
Any clearing system(s) other than Euroclear, Clearstream, Luxembourg or DTC and the relevant identification number(s):	[Applicable - <i>specify</i> ] [Not Applicable]
Delivery:	[Delivery against payment]/[Free of payment]
Names and addresses of additional Paying Agent(s) (if any):	[None] [ <i>specify</i> ]



## GENERAL TERMS AND CONDITIONS OF THE SECURITIES

*The following are the Terms and Conditions of the Securities which will be incorporated by reference into each Global Security (as defined below) and each definitive Security, in the latter case only if permitted by the Luxembourg Stock Exchange (if the Securities are to be listed on the Official List of the Luxembourg Stock Exchange) or the Irish Stock Exchange (if the Securities are to be listed on the Official List of the Irish Stock Exchange) but, if not so permitted, such definitive Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Securities shall complete the Terms and Conditions for the purpose of such Securities. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Security and definitive Security.*

This Security is one of a Series (as defined below) of Securities issued by Credit Suisse AG, acting through its Nassau Branch (the “**Issuer**”).

References herein to the “**Securities**” shall be references to the Securities of this Series and shall mean:

- (a) in relation to any Securities represented by a global security (a “**Global Security**”), units of the lowest Specified Denomination in the Specified Currency (as defined in Condition 5) or each Security represented by such Global Security, as the case may be;
- (b) any Global Security; and
- (c) definitive Securities issued in exchange for a Global Security.

The Securities have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated on or about the date of this Prospectus and made between, *inter alios*: (i) the Issuer; (ii) Credit Suisse (Hong Kong) Limited as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent); (iii) Credit Suisse (Hong Kong) Limited as registrar (the “**Registrar**”, which expression shall include any successor registrar); (iv) Credit Suisse (Hong Kong) Limited as calculation agent; (v) Credit Suisse Securities (Europe) Limited as calculation agent (together with Credit Suisse (Hong Kong) Limited as calculation agent, each a “**Calculation Agent**”, which expression shall include any successor calculation agent); (vi) Banque Internationale à Luxembourg, société anonyme as Luxembourg paying agent (the “**Luxembourg Paying Agent**”, which shall include any successor as Luxembourg paying agent and, together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agent); and (vii) Banque Internationale à Luxembourg, *société anonyme* as Luxembourg transfer agent (the “**Luxembourg Transfer Agent**”, which expression shall include any successor Luxembourg transfer agent and, together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agent).

The Final Terms for this Security (or the relevant provisions thereof) are attached to or endorsed on this Security and supplement these Terms and Conditions (as supplemented, the “**Conditions**”) and complete the Terms and Conditions for this Security. References to the “**applicable Final Terms**” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Security.

Any reference to “**Securityholders**” or “**holders**” in relation to any Securities shall mean the persons in whose name the Securities are registered.

Any reference to “**Calculation Agent**”, “**Principal Paying Agent**”, “**Registrar**” or “**Transfer Agent**” in relation to any Securities shall mean the Calculation Agent, the Principal Paying Agent, the Registrar or the

Transfer Agent, as the case may be, as specified in the applicable Final Terms and shall include any successor calculation agent, principal paying agent, registrar or transfer agent, as the case may be.

As used herein, “**Tranche**” means Securities which are identical in all respects and “**Series**” means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (A) expressed to be consolidated and form a single series and (B) identical in all respects except for their respective Issue Dates and/or Issue Prices.

The Securityholders are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated on or about the date of this Prospectus and made by the Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”), in respect of Securities held with Euroclear and/or Clearstream, Luxembourg, or with The Depository Trust Company (“**DTC**”), in respect of Securities held with DTC.

Copies of the Agency Agreement and the Deed of Covenant shall be made available for inspection upon reasonable notice having been given during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (and, together with the Calculation Agents, the “**Agents**”). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents save that, if the Security is an unlisted Security of any Series, the applicable Final Terms will only be obtainable by a Securityholder holding one or more unlisted Securities of that Series and such Securityholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Securities and identity. The Securityholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

The Schedules hereto form part of these Terms and Conditions. Schedule 1 shall apply to each Reference Underlying specified as “Single Reference Underlying” or “Basket of Reference Underlyings” under “Type of Reference Underlying” in the applicable Final Terms. Schedule 2 shall apply to each Reference Underlying specified as “Index” under “Type of Reference Underlying” in the applicable Final Terms.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. In the event of any inconsistency between these Terms and Conditions (excluding the Schedules) and the Schedules, the Schedules shall prevail.

A Hedge Provider (as defined in Condition 5) may, but is not obliged to, enter into a Hedging Arrangement (as defined in Condition 5) in order to hedge the Issuer’s obligations in respect of the Securities.

## **1 FORM, DENOMINATION, TITLE AND TRANSFER**

### *(a) Form and Denomination*

The Securities are in registered form and, in the case of definitive Securities, serially numbered. If a Specified Denomination is specified in the applicable Final Terms, Securities of one Specified Denomination may not be exchanged for Securities of another Specified Denomination. A Security certificate (each a “**Certificate**”) will be issued to each Securityholder in respect of its registered holding of Securities. Each Security and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the register (the “**Register**”) of Securityholders which the Issuer will procure to be kept by the Registrar.

Where Securities are held by or on behalf of Euroclear and Clearstream, Luxembourg, the Securities may be registered in the name of a nominee for such Clearing Systems and the Global Security delivered to a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). Securities sold outside the United States to non-US persons will be offered and sold in reliance on Regulation S of the Securities Act of 1933, and will be represented by a Global Security (a "**Regulation S Global Security**"). The Final Terms for such Regulation S Global Securities shall specify the Form of Securities as "Regulation S Global Security". Securities sold within the United States will be sold only to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act of 1933 ("**Rule 144A**") and will initially be represented by one or more restricted Global Securities (each a "**Rule 144A Global Security**") without interest coupons, which will be deposited on or before its or their issue date either with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC, or with a Common Depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of such Common Depository. The Final Terms for such Rule 144A Global Securities shall specify the Form of Securities as "Rule 144A Global Security".

(b) *Title*

Title to the Securities will pass upon registration of transfers in the Register. The Issuer and any Agent will (except as otherwise required by law) deem and treat the registered holder of any Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

(c) *Transfers*

The Securities may be traded in a specified number of Securities or in a nominal amount, as specified in the Trading Method in the applicable Final Terms.

Subject to the Agency Agreement, a Security may be transferred by delivering the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the other Transfer Agents. Registration of transfers of Securities will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but upon payment (or the giving of such indemnity/security/pre-funding as the Issuer or any of the Transfer Agents may reasonably require) in respect of any tax, stamp duty or other governmental charges which may be imposed in relation to it. No Securityholder may require the transfer of a Security to be registered during the period of 15 days ending on the due date for any payment of any amount payable in respect of that Security. All transfers of Securities and entries on the Register will be subject to the detailed regulations concerning transfer of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer in consultation with the Registrar.

Securities sold to qualified institutional buyers ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") may only be transferred to: (i) QIBs; (ii) non U.S. persons (as such term is defined in Regulation S promulgated under the Securities Act); or (iii) pursuant to another exemption from the registration requirements of the Securities Act.

## 2 STATUS OF THE SECURITIES

Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank *pari passu* among themselves and equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

### 3 DISTRIBUTION, INTEREST AND PREMIUM

(a) *Distribution on Participation Securities*

The Issuer shall pay an amount equal to the relevant Distribution Payment Amount in respect of each Participation Security on each Distribution Payment Date.

Any Distribution Payment Amount paid to the Securityholder shall constitute consideration paid for the use of the principal and for the assumption of the risk that the Securityholder may not receive its original investment or that its return may be variable.

(b) *Interest on Fixed Rate Securities*

Each Fixed Rate Security pays interest from the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest on its outstanding nominal amount, if applicable, or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the applicable Final Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods. If the initial and/or final Interest Periods are of a different length from the other Interest Periods, Interest Amounts specific to such Interest Periods (each a “**Broken Amount**”) may be specified in the Final Terms.

The expected yield for a Fixed Rate Security will be indicated in the Final Terms. The indicated yield is calculated on the basis of the Issue Price.

Yield is not an indication of future price.

(c) *Interest on Floating Rate Securities*

(i) Interest Payment Dates

Each Floating Rate Security pays interest from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on either:

- (A) the Interest Payment Date specified in the applicable Final Terms (the “**Specified Interest Payment Date**”); or
- (B) if no Interest Payment Date is specified in the applicable Final Terms, each date (each such date an “**Interest Payment Date**”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date. Such interest will be payable in respect of each Interest Period.

(ii) Rate of Interest for Floating Rate Securities

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

- (A) “**Floating Rate Option**” and each election in respect thereof has the meaning given to it in the ISDA Definitions, save that the election of the relevant Floating Rate Option is specified in the applicable Final Terms; and
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the first day of that Interest Period.

For the purposes of this sub-paragraph (ii), “**Floating Rate**”, “**relevant Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions, save that the relevant election is specified in the applicable Final Terms and the Calculation Agent as specified in the applicable Final Terms shall be deemed to be specified as the relevant Calculation Agent for the purpose of the Swap Transaction.

(iii) *Margin or Rate Multiplier*

If any Margin or Rate Multiplier is specified in the applicable Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with this Condition 3(c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next sub-paragraph.

(iv) *Maximum or Minimum Rate of Interest*

If any Maximum or Minimum Rate of Interest is specified in the applicable Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

(d) *Premium*

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

(e) *Accrual of Interest and Premium*

Each Security (or in the case of the redemption of part only of a Security, that part only of such Security) will cease to pay interest and premium (if any) from the due date for redemption unless payment is improperly withheld or refused, in which event interest and premium shall continue to accrue (both before and after judgment) in the manner provided in this Condition 3 until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Security have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by any of the Paying Agents or the Registrar, as the case may be, and notice to that effect has been given to the Securityholders.

(f) *Rounding*

For the purposes of any calculations (unless otherwise specified), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “**unit**” means the lowest transferable amount of such currency.

(g) *Calculations of interest and premium*

In respect of Conditions 3(b), 3(c) and 3(d), the amount of interest or premium payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest or Rate of Premium and the outstanding nominal amount, if applicable, of such Security by the Day Count Fraction, unless an Interest Amount or Premium Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest or premium payable in respect of such Security for such period shall equal such Interest Amount or Premium Amount (or be calculated in accordance with such formula). If no nominal amount is specified in the applicable Final Terms, the Calculation Agent shall, acting in good faith and in a commercially reasonable manner, determine such equivalent amount.

(h) *Determination and Publication*

On such date as the Calculation Agent may be required under this Condition 3 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the relevant Distribution Payment Amount, Rate of Interest, Interest Amount, Rate of Premium and/or Premium Amount, as the case may be, for each Interest Period and Premium Period (as applicable) and the relevant Distribution Payment Date, Interest Payment Date and Premium Payment Date to be notified to the Issuer (if the Issuer is not the Calculation Agent), each of the Paying Agents and the Luxembourg Stock Exchange (for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) or the Irish Stock Exchange (for so long as the Securities are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require), as the case may be, and notice thereof to be published in accordance with Condition 10 as soon as reasonably practicable after their determination but in no event later than the seventh day thereafter.

Details of the relevant Distribution Payment Amount, Rate of Interest, Interest Amount, Interest Payment Date, Rate of Premium, Premium Amount and/or Premium Payment Date, as the case may be, so notified will be made available at the specified office of the Paying Agent in Luxembourg for inspection by Securityholders and may subsequently be amended (or appropriate alternative arrangements by way of adjustment thereto taken). Any such amendment will be notified to the Issuer, each of the Paying Agents and the Luxembourg Stock Exchange (for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) or the Irish Stock Exchange (for so long as the Securities are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require), as the case may be, as soon as reasonably practicable after the determination of such amendment and will also be made available at the specified office of the Paying Agent in Luxembourg for inspection by Securityholders.

(i) *Definitions*

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“**Aggregate Issue Size**” means the aggregate issue size of the Securities set out in the applicable Final Terms.

“**Aggregate Nominal Amount**” means the aggregate nominal amount of the Securities set out in the applicable Final Terms.

“**Business Day**” means, in respect of any city, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in that city.

“**Business Day in the Determination City**” means a day (other than a Saturday or a Sunday) (i) on which banks in the Determination City specified in the applicable Final Terms are open for business and (ii) that is a trading day on the Exchange specified in the applicable Final Terms.

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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



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

- (vii) if “Actual/Actual – ICMA” is specified in the applicable Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - (1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
    - (2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year;

where:

“**Determination Date**” means the dates specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Dates and/or Premium Payment Dates; and

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

“**Designated Maturity**” means the period set out in the applicable Final Terms.

“**Determination City**” means each of the determination cities specified in the applicable Final Terms.

“**Distribution Payment Amount**” means:

- (i) if the Securities are not linked to a Basket, subject to Condition 5(f), Condition 5(g), Condition 6 and the Applicable Schedule, in respect of a Distribution Payment Date, the pro rata share of an amount (if any) representing the cash dividends or other payments (excluding any dividends or other payments that lead to an adjustment under the Applicable Schedule) received by the Hedge Provider in respect of the Reference Underlyings (or assets constituted thereby) (or would be so received if the Hedge Provider held the Reference Underlyings (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), net of any Costs (as defined in Condition 6) or adjustments as determined by the Calculation Agent, when cash dividends or other payments on the Reference Underlyings (or assets constituted thereby) become due (as declared by the Reference Entity (as defined in Schedule 1) or the Sponsor (as defined in Schedule 2), as the case may be) and are paid in respect of the Reference Underlyings (or assets constituted thereby) for the Securities, converted into the Specified Currency (rounded down to the nearest Unit) by the Calculation Agent using the prevailing Exchange Rate (as defined in Condition 5); or
- (ii) if the Securities are linked to a Basket, subject to Condition 5(f), Condition 5(g), Condition 6 and the Applicable Schedule, in respect of a Distribution Payment Date, the pro rata share of

an amount (if any) representing the cash dividends or other payments (excluding any dividends or other payments that lead to an adjustment under the Applicable Schedule) received by the Hedge Provider in respect of any Basket Component (or assets constituted thereby) (or would be so received if the Hedge Provider held such Basket Component (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), net of any Costs (as defined in Condition 6) or adjustments as determined by the Calculation Agent, when cash dividends or other payments on such Basket Component (or assets constituted thereby) become due (as declared by the relevant Reference Entity (as defined in Schedule 1) or the Sponsor (as defined in Schedule 2), as the case may be) and are paid in respect of any such Basket Component (or assets constituted thereby) for the Securities, converted into the Specified Currency (rounded down to the nearest Unit) by the Calculation Agent using the prevailing Exchange Rate.

**“Distribution Payment Date”** means:

- (i) if the Securities are not linked to a Basket, any Business Day in the Determination City that falls within 14 calendar days of the cash dividends or other payments in respect of the Reference Underlying (or assets constituted thereby) (or amounts corresponding to such cash dividends or other payments as described above) having been received by the Hedge Provider (or would be so received if the Hedge Provider held the Reference Underlying (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), as determined by the relevant Calculation Agent acting in good faith; or
- (ii) if the Securities are linked to a Basket, any Business Day in the Determination City that falls within 14 calendar days of the cash dividends or other payments in respect of any Basket Component (or assets constituted thereby) (or amounts corresponding to such cash dividends or other payments as described above) having been received by the Hedge Provider (or would be so received if the Hedge Provider held such Basket Component (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), as determined by the relevant Calculation Agent acting in good faith.

**“Interest Amount”** means the amount of interest payable in respect of a Security on an Interest Payment Date as specified in or calculated in accordance with the provisions specified in the applicable Final Terms or calculated in accordance with this Condition 3.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified in the applicable Final Terms.

**“Interest Payment Date”** means (i) if the Floating Rate Securities provisions are specified to be applicable, such date as determined in accordance with Condition 3(c); or (ii) in other cases, each date as may be specified in the applicable Final Terms.

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

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as amended and supplemented as of the Issue Date.

**“Margin”** means the margin as may be specified in the applicable Final Terms.

“**Premium Amount**” means the amount of any premium payable in respect of a Security on a Premium Payment Date as specified in the applicable Final Terms or calculated in accordance with Condition 3.

“**Premium Commencement Date**” means the Issue Date or such other date as may be specified in the applicable Final Terms.

“**Premium Payment Date**” means each Premium Payment Date specified in the applicable Final Terms.

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

“**Rate Multiplier**” means the rate multiplier as may be specified in the applicable Final Terms.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of a Security as specified in the applicable Final Terms or calculated in accordance with Condition 3.

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

#### 4 PAYMENTS

(a) *Method of payment*

Subject as provided below in this Condition 4, payments will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) *Payments*

Payments of any principal in respect of each Security will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder of the Security appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, “**Designated Account**” means the account maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means a bank in the principal financial centre of the country of such Specified Currency.

Payments of any distribution, interest or premium in respect of each Security will be made in the manner provided in the preceding paragraph by transfer to the Designated Account of the holder of the Security appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date.

No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments of any amount payable in respect of the Securities.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(c) *Payment Day*

If the date for payment of any amount in respect of any Security is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further payment in respect of such delay. For these purposes, “**Payment Day**” means any day (other than Saturday or Sunday) which is 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:

- (i) the relevant place of presentation;
- (ii) (A) if the Specified Currency is a currency other than euro, Australian dollars or New Zealand dollars, the principal financial centre of the country of the relevant Specified Currency; (B) if the Specified Currency is Australian dollars or New Zealand dollars, Sydney and Auckland, respectively; or (C) if the Specified Currency is euro, a day on which the TARGET2 System or any successor thereto is operating, where “**TARGET2 System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer System; and
- (iii) any Additional Financial Centre specified in the applicable Final Terms.

(d) *Payments through The Depository Trust Company*

Payments of principal and interest in respect of Rule 144A Global Securities denominated in U.S. dollars will be made in accordance with this Condition. Payments of principal and interest in respect of Rule 144A Global Securities registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Paying Agent in the relevant Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Paying Agent or its agent to DTC with respect to Rule 144A Global Securities held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC Business Day after the Record Date for the relevant payment of interest and, in the case of principal payments, at least 12 DTC Business Days prior to the relevant payment date of principal, to receive that payment in such Specified Currency. The Paying Agent, after an exchange agent has converted amounts in such Specified Currency into U.S. dollars, will deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made. As used herein, “**DTC Business Day**” means any day on which DTC is open for business.

## 5 REDEMPTION AND PURCHASE

(a) *Definitions*

In these Terms and Conditions, the following terms shall have the following meanings:

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person or power to direct or cause the direction of the management and policies of a person, whether by contract or otherwise.

“**Applicable Schedule**” means the Schedule to these Terms and Conditions that is specified to be applicable as a result of the classification of the Reference Underlying under “Type of Reference Underlying” in the applicable Final Terms.

“**Basket**” has the meaning given to it in the definition of “Basket Component” below.

“**Basket Component**” has the meaning given to it in the Applicable Schedule.

“**Disrupted Day**” has the meaning given to such term in the Applicable Schedule.

“**Early Redemption Amount**” has, subject to Condition 5(f), Condition 5(g) and Condition 6, (i) in respect of an early redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e), the meaning given to such term in the Applicable Schedule or (ii) in respect of an early redemption other than pursuant to Condition 5(c), Condition 5(d) or Condition 5(e), the Fair Market Value.

“**Early Redemption Date**” means, subject to Condition 5(f) and Condition 5(g), (i) in relation to a redemption at the option of the Issuer pursuant to Condition 5(c), Condition 5(d), Condition 5(g), Condition 5(h) or the Applicable Schedule, the date falling five Business Days after the Notice Date; and (ii) in relation to a redemption at the option of the Securityholder pursuant to Condition 5(e), the date falling 15 Business Days after the Notice Date, or, in either case, such other date as specified in the applicable Final Terms.

“**Early Redemption Notice**” means:

- (i) in relation to a redemption at the option of the Securityholder pursuant to Condition 5(e), a notice in the form obtainable from any of the Paying Agents electing that any one or more Securities be redeemed by the Issuer given to the Specified Office of the Principal Paying Agent in accordance with Condition 5(e); and
- (ii) in relation to a redemption at the option of the Issuer pursuant to Condition 5(c), Condition 5(d), Condition 5(g), Condition 5(h) or the Applicable Schedule, a notice (if any) required to be given by the Issuer to the Securityholders in accordance with Condition 10.

“**Equity Linked Securities**” means Securities in respect of which “Single Reference Underlying” or “Basket of Reference Underlyings” is specified under “Type of Reference Underlying” in the applicable Final Terms.

“**Exchange Rate**” means, in relation to any day, the rate of exchange of the Relevant Currency for the Specified Currency (or the effective rate resulting from the application of rates into and out of one or more Intermediate Currencies) (expressed as the number of units of the Relevant Currency for which one unit of the Specified Currency can be exchanged) as determined by the Calculation Agent to be the prevailing spot rate of exchange on such date, by reference to (i) the rates of exchange, if available, obtained by the Hedge Provider in exchanging the Relevant Currency obtained (or would be so obtained if the Hedge Provider held the Reference Underlyings (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge) from selling the relevant Reference Underlyings (or assets constituted thereby) or unwinding Hedging Arrangements held directly or indirectly by the Hedge Provider to hedge the Issuer’s obligations in respect of the Securities as appropriate or, as the case may be, converting cash dividends or other

payments paid in respect of such Reference Underlyings (or assets constituted thereby) to or to the order of, or otherwise received by, the Hedge Provider (or would be so received if the Hedge Provider held the Reference Underlyings (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge) for the Relevant Currency and/or (ii) such other factors as the Calculation Agent shall decide in good faith provided that if an FX Disruption Event has occurred and is continuing on any date on which the Exchange Rate is to be determined, then such Exchange Rate shall be determined on such factors and in such manner as the Calculation Agent shall determine in good faith.

**"Fair Market Value"** means, in respect of each Security, an amount in the Specified Currency (rounded down to the nearest Unit) equal to the fair market value of such Security immediately prior to such redemption (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption) less a pro rata share of the cost to the Hedge Provider of unwinding any related Hedging Arrangements (or the cost that would be incurred by the Hedge Provider of unwinding any related Hedging Arrangements, if the Hedge Provider entered into such Hedging Arrangements) (including, without limitation, selling or otherwise realising the relevant Reference Underlyings (or assets constituted thereby)) in relation to the Securities, all as determined by the Calculation Agent, provided that in determining the Fair Market Value in respect of an early redemption pursuant to an Illegality Event, the Calculation Agent shall assume such illegality, impossibility or impracticality had not occurred.

**"FII Regulations"** means the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 (as amended) and any legislation replacing or supplementing the same and guidelines and circulars published by SEBI pursuant thereto as such term may be interpreted and/or applied from time to time.

**"Final Redemption Amount"** has, subject to Condition 5(f), Condition 5(g) and Condition 6, the meaning given to such term in the Applicable Schedule.

**"FX Disruption Event"** means:

- (i) an event in relation to a Reference Underlying Jurisdiction which, in the determination of the Calculation Agent, has the effect of prohibiting, preventing, restricting or materially delaying:
  - (A) the exchange of the Relevant Currency into the Specified Currency (whether directly or, pursuant to any Hedging Arrangements, indirectly by exchange into a third currency (the **"Intermediate Currency"**) and exchange therefrom into the Specified Currency) through customary legal channels; or
  - (B) the exchange of the Relevant Currency or the Intermediate Currency for the Specified Currency or the Intermediate Currency at a rate at least as favourable as the rate for domestic institutions located in the Reference Underlying Jurisdiction; or
  - (C) the free and unconditional transferability of the Relevant Currency, the Intermediate Currency or the Specified Currency from accounts inside the Reference Underlying Jurisdiction to accounts outside the Reference Underlying Jurisdiction; or
  - (D) the free and unconditional transferability of the Relevant Currency, the Intermediate Currency or the Specified Currency between accounts inside the Reference Underlying Jurisdiction or to a party that is a non-resident of the Reference Underlying Jurisdiction,

in each case, as compared to the position on the Trade Date; or

- (ii) the imposition by the Reference Underlying Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Securities, and notice thereof is given by the Issuer to the Securityholders in accordance with Condition 10.

“**Hedge Proceeds**” means the cash amount constituting the proceeds received by the Hedge Provider in respect of any Hedging Arrangements (or would be so received if the Hedge Provider held the Reference Underlying (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), subject to a minimum of zero.

“**Hedge Provider**” means, in respect of a Hedging Arrangement, the Issuer, the Affiliate or the third party counterparty which has entered into such Hedging Arrangement.

“**Hedging Arrangements**” means any hedging arrangements entered into by the Issuer (or an Affiliate or third party counterparty) at any time to hedge the Issuer’s obligations in respect of the Securities, including, without limitation the purchase and/or sale of any securities, any shares or units in funds linked to the performance of any securities, any options or futures on any securities or any depository receipts in respect of any securities and any associated foreign exchange transactions.

“**Hedging Disruption Event**” means that, as determined by the Calculation Agent:

- (i) a Hedge Provider is restricted from taking or is unable to, after using commercially reasonable efforts, take any of the following actions: (A) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedging Arrangements or any other transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and performing its obligations with respect to the Securities; or (B) realising, recovering or remitting the Hedge Proceeds or any other proceeds of any such transaction(s) or asset(s); or
- (ii) as a result of the implementation by the Reference Underlying Jurisdiction (or any political or regulatory authority thereof) of, or the publication of any notice of an intention to implement, any changes to the laws or regulations relating to foreign investment in the Reference Underlying Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), a Hedge Provider’s ability to hedge the Issuer’s obligations in respect of the Securities is materially affected.

Such event may occur as a result of, but not limited to, the redemption, termination or cancellation, if applicable, of the relevant Reference Underlyings for any reason (other than, if applicable, the exercise of the relevant Reference Underlyings in accordance with their normal terms).

“**Illegality Event**” means that, as determined by the Calculation Agent:

- (i) it is, becomes or will become illegal, impossible or impracticable (including, in the case of Securities linked to Indian Reference Underlyings, such illegality, impossibility or impracticability occurring by virtue of the FII Regulations) in whole or in part as a result of compliance in good faith with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or interpretation thereof (including, in the case of Securities linked to Indian Reference Underlyings, the FII Regulations) (“**applicable law**”) for the Issuer to enter into or perform its obligations under any Relevant Instruments or for any Relevant

Instruments to remain outstanding, including where, in the opinion of the Calculation Agent, the effect of the applicable law would be to impose any limit on the notional amount of any such Relevant Instruments which may be or remain outstanding or to require any or all of such Relevant Instruments to be unwound, cancelled, redeemed or terminated; or

- (ii) any Hedging Arrangements of a Hedge Provider in respect of the Relevant Instruments is, becomes or will become illegal, impossible or impracticable in whole or in part as a result of compliance in good faith with any applicable law.

“**Index Linked Securities**” means Securities in respect of which “Index” is specified under “Type of Reference Underlying” in the applicable Final Terms.

“**Intermediate Currency**” has the meaning given in the definition of “FX Disruption Event”.

“**Investor Put Cut-off Time**” means the time specified as such in the applicable Final Terms.

“**Issue Date**” means, in respect of any Security, the date of issue of such Security being, in the case of any Definitive Security represented initially by a Global Security, the same date as the date of issue of the Global Security which initially represented such Security.

“**Issue Price**” means the price at which the Securities will be issued as specified in the applicable Final Terms.

“**Jurisdictional Event**” means:

- (i) any event which occurs, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Reference Underlying Jurisdiction relating to the Securities, including, but not limited to, risks associated with fraud and/or corruption, political risk, legal uncertainty, imposition of foreign exchange controls or capital controls, changes in laws or regulations and changes in the interpretation and/or enforcement of laws and regulations (including, without limitation, those relating to taxation) and other legal and/or sovereign risks;
- (ii) the Calculation Agent determines that a Hedge Provider is not able to buy and/or sell any Reference Underlyings related to the Securities via a trading system commonly used within the relevant Reference Underlying Jurisdiction for these kind of Reference Underlyings or such trading system fails to calculate and publish the price of any Reference Underlyings on a day on which the Calculation Agent determines that such calculation and publication was otherwise expected to be made; or
- (iii) in relation to Securities in respect of which the Kingdom of Saudi Arabia is specified as (in respect of Securities not linked to a Basket) the Reference Underlying Jurisdiction or (in respect of Securities linked to a Basket) a Reference Underlying Jurisdiction in respect of a Basket Component, the Capital Market Authority (or any successor or equivalent body) of the Kingdom of Saudi Arabia has requested that any Hedge Provider terminates or otherwise modifies any Hedging Arrangements or imposes any qualitative or quantitative limitation or any other requirements in relation to any Hedging Arrangements, the Securities, the holders or any document or matter in relation thereto,

and in the case of (i) and (ii) which has or may have (as determined by the Calculation Agent) the effect of reducing or eliminating the value of the Hedge Proceeds at any time.

“**Last Date for Early Redemption**” means, subject to Condition 5(f) and Condition 5(g), the Valuation Date specified in the applicable Final Terms.



“**Maturity Date**” means, subject to Condition 5(f) and Condition 5(g), the Maturity Date specified in the applicable Final Terms (or if such date is not a Business Day, the next following Business Day).

“**Notice Date**” means (i) in relation to an early redemption at the option of the Securityholder pursuant to Condition 5(e), any Business Day in the Determination City on which the Issuer receives an Early Redemption Notice in relation to that Security provided that any Early Redemption Notice received by the Issuer after the Investor Put Cut-off Time on any Business Day in the Determination City shall be deemed to have been received on the next following Business Day in the Determination City or (ii) in relation to an early redemption of a Security at the option of the Issuer pursuant to Condition 5(c), Condition 5(d), Condition 5(g) or Condition 5(h), any Business Day in the Determination City which is specified in the notice of redemption given to Securityholders by the Issuer in accordance with Condition 10.

“**Offshore Derivative Instruments**” means offshore derivative instruments within the meaning of the FII Regulations.

“**Reference Underlying**” has the meaning given to it in the Applicable Schedule.

“**Reference Underlying Jurisdiction**” has the meaning given to it in the Applicable Schedule.

“**Relevant Currency**” means, in respect of a Reference Underlying, the currency for such Reference Underlying as specified in the applicable Final Terms.

“**Relevant Instruments**” means, in respect of the Securities, such Securities and any other securities, instruments or contracts issued or entered into by the Issuer and any of its Affiliates in respect of any Reference Underlyings of such Securities (and in the case of Indian Reference Underlyings, such securities, instruments or contracts which are, or are commonly regarded by SEBI as, Offshore Derivative Instruments).

“**SEBI**” means the Securities and Exchange Board of India.

“**Specified Currency**” means U.S. dollars unless specified otherwise in the applicable Final Terms.

“**Specified Denomination**” means the denomination of the Securities specified in the applicable Final Terms.

“**Specified Office**” means, in relation to the Issuer, the Registrar, any Transfer Agent or any Paying Agent, the office specified hereon.

“**Trade Date**” means the date specified as such in the applicable Final Terms.

“**Unit**” means, in relation to any currency, the unit of that currency that is specified hereon.

“**U.S. dollar**”, “**USD**”, “**U.S.\$**” or “**US\$**” each means the lawful currency of the United States of America.

“**Valuation Date**” means, subject to Condition 5(f) and Condition 5(g), the date specified as such in the applicable Final Terms, or if there is an early redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e), the Notice Date, provided that if any such date is not a Business Day in the Determination City, the Valuation Date shall fall on the next following Business Day in the Determination City.

(b) *Redemption at maturity*

Unless previously redeemed 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, these Terms and Conditions and the applicable Final Terms in the relevant Specified Currency on the Maturity Date. Thereafter, the Issuer shall have no further obligations in respect of such Security.

(c) *Redemption for tax reasons*

The Issuer may at any time, having given an Early Redemption Notice to the Securityholders (which notice shall be irrevocable and shall specify the date fixed for redemption) redeem all, but not part only, of the Securities on the Early Redemption Date at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date in the event that: (i) as a result of any change in, or amendment to, the laws or regulations of a Reference Underlying Jurisdiction or any political subdivision of, or any authority in, or of, a Reference Underlying Jurisdiction or any change in the application or official interpretation of the laws or regulations of, a Reference Underlying Jurisdiction which change becomes effective after the Trade Date (whether or not such change has retrospective or retroactive effect), Securityholders become liable to pay tax on capital gains realised on the sale or other disposition of Securities in such Reference Underlying Jurisdiction or tax is required to be withheld in respect of any payments in respect of the Securities or the relevant Reference Underlyings; or (ii) any tax is required to be withheld or is imposed in respect of any payments in respect of any Hedging Arrangements entered into, directly or indirectly, by a Hedge Provider.

(d) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified as being applicable in the Final Terms, upon the Issuer giving to the Securityholders an Early Redemption Notice at any time prior to the Last Date for Early Redemption, the Issuer, upon the expiry of such notice, will redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (or in part), such Securities on the Early Redemption Date and at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date. Securities may be redeemed under this Condition 5(d) in an amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount.

(e) *Redemption at the option of the Securityholders (Investor Put)*

If Investor Put is specified as being applicable in the Final Terms, upon the holder of any Security giving to the Issuer an Early Redemption Notice at any time prior to the Last Date for Early Redemption, the Issuer, upon the expiry of such notice, will redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (or in part), such Security on the Early Redemption Date and at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date. Securities may be redeemed under this Condition 5(e) in an amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount.

If the Securities are in definitive form, to exercise the right to require redemption of the Securities the holder of the Securities must deliver such Securities to the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, accompanied by a duly completed and signed Early Redemption Notice, in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5(e) and the nominal amount or number of Securities, as the case may be, to be redeemed and, if less than the full nominal amount or number of the Securities so surrendered is to be redeemed, an address to which the balance of such Securities is to

be sent subject to and in accordance with the provisions of Condition 1. Any Early Redemption Notice given by a holder of any Security pursuant to this Condition 5(e) shall be irrevocable.

(f) *Redemption Disruption Events and Cut-off Date*

(i) If the Calculation Agent determines that at any time during the period from (and including) the Valuation Date to (but excluding) the date specified to be the Maturity Date or the Early Redemption Date (as the case may be) in the applicable Final Terms:

- (A) in relation to any Equity Linked Securities, the occurrence of an event that falls within sub-paragraph (i) or (ii) of the definition of “Potential Adjustment Event” in respect of which any Further Reference Underlying has not yet been delivered to the existing holders of the relevant Reference Underlyings;
- (B) in relation to any Securities, the occurrence or existence of a Hedging Disruption Event, Jurisdictional Event, FX Disruption Event or Disrupted Day; or
- (C) any law or regulation is imposed which affects a Hedge Provider’s ability to own, sell or transfer any Reference Underlyings (or assets constituted thereby),

(each, a “**Redemption Disruption Event**”), the Calculation Agent shall as soon as reasonably practicable notify the holders of the relevant Securities of the occurrence of such Redemption Disruption Event, whereupon the provisions of sub-paragraph (ii) shall become applicable.

(ii) Upon the occurrence of a Redemption Disruption Event:

(A) The Maturity Date or the Early Redemption Date (as the case may be) in respect of the relevant Securities shall be extended to a date (the “**Extended Date**”) falling 45 calendar days after the original Maturity Date or Early Redemption Date (as the case may be).

For the purpose of this Condition 5(f)(ii)(A) and subject to Condition 5(f)(ii)(B) below, the Valuation Date shall be deemed to be the first Business Day in the Determination City after the date on which the Redemption Disruption Event is no longer operating.

(B) In the event that a Redemption Disruption Event is still operating on the 14th calendar day in the Determination City immediately preceding the Extended Date (the “**Cut-off Date**”), then the Valuation Date shall be deemed to be such Cut-off Date, and the Issuer shall redeem all, but not part only, of the Securities on the Extended Date at their Final Redemption Amount or Early Redemption Amount (as the case may be and as adjusted in accordance with the following paragraph), together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Maturity Date or Early Redemption Date (as the case may be).

The Calculation Agent shall make such adjustment to the Final Redemption Amount or the Early Redemption Amount as it shall determine in good faith and in a commercially reasonable manner to take account of the effect of such Redemption Disruption Event on the Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions, would otherwise be the Final Redemption Amount or the Early Redemption Amount and/or the Calculation Agent may make any other amendments to the Conditions (without the consent of the Securityholders) to take account of the event.

The Issuer will use, and will procure that a Hedge Provider uses, commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines to be commercially impracticable.

- (iii) Upon the payment of the Final Redemption Amount or the Early Redemption Amount, as the case may be, in respect of a Security in accordance with sub-paragraph (ii) above, the Issuer shall have discharged all of its obligations in respect of such Security and the Issuer shall have no other liability or obligation whatsoever in respect thereof except in the event of a loss resulting directly from the fraud, wilful default or gross negligence of the Issuer or the Calculation Agent.
- (g) *Hedging Disruption Event and Jurisdictional Event*
- (i) Upon the occurrence of a Hedging Disruption Event or a Jurisdictional Event, as the case may be, the Issuer may, but is not obliged to, give notice to Securityholders in accordance with Condition 10 of the occurrence of such Hedging Disruption Event or Jurisdictional Event, as the case may be, stating whether the Issuer has elected to:
    - (A) suspend its obligations in respect of the Securities to such date as notified by the Issuer;
    - (B) make adjustments to the terms and conditions of the Securities; or
    - (C) by giving an Early Redemption Notice to the Securityholders, redeem the Securities in accordance with this Condition 5(g).
  - (ii) If the Issuer elects to suspend its obligations in respect of the Securities in accordance with Condition 5(g)(i)(A) above, such obligations shall be suspended up until such date as notified by the Issuer to the Securityholders. In the event that such date shall not have been notified before the date which falls 45 calendar days after the Maturity Date, the Securities shall be redeemed pursuant to Condition 5(g)(iv). If the Issuer has elected to suspend its obligations pursuant to the foregoing, the Issuer shall nevertheless retain the right at any time prior to the date which falls 45 calendar days after the Maturity Date to redeem the Securities pursuant to Condition 5(g)(iv) by giving an Early Redemption Notice to the Securityholders.
  - (iii) If the Issuer elects to make adjustments to the terms and conditions of the Securities in accordance with Condition 5(g)(i)(B) above, the Calculation Agent shall make such adjustment to the Final Redemption Amount or the Early Redemption Amount as it shall determine in good faith and in a commercially reasonable manner to take account of the effect of such Hedging Disruption Event or Jurisdictional Event on the Hedging Arrangements and any difference between the Hedge Proceeds and the amount which, but for these provisions, would otherwise be the Final Redemption Amount or the Early Redemption Amount and/or the Calculation Agent may make any other amendments to the Conditions (without the consent of the Securityholders) to take account of the event. The Issuer will use, and will procure that a Hedge Provider uses, commercially reasonable endeavours to preserve the value of the Hedge Proceeds, but it shall not be obliged to take any measures which it determines to be commercially impracticable.
  - (iv) If the Issuer elects to redeem the Securities as aforesaid (or upon expiry of the 45-day period referred to in Condition 5(g)(ii)), the Issuer shall redeem all, but not part only, of the Securities on the Early Redemption Date at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date.

- (v) If an event or circumstance which would constitute a Hedging Disruption Event or Jurisdiction Event also constitutes a Redemption Disruption Event, it will be treated as a Redemption Disruption Event and this Condition 5(g) shall not apply to such event or circumstance.

(h) *Illegality Event*

Upon the occurrence of an Illegality Event, the Issuer may, but is not obliged to, redeem the Securities at any time prior to maturity by giving an Early Redemption Notice to the Securityholders. The Issuer shall, if and to the extent permitted by applicable law and having given an Early Redemption Notice to the Securityholders, redeem all, but not part only, of the Securities on the Early Redemption Date at the Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date.

(i) *Further Securities in lieu of payment of Final Redemption Amount or Early Redemption Amount*

The Issuer may, if specified in the applicable Final Terms, in lieu of payment of the Final Redemption Amount or Early Redemption Amount, redeem each Security by issuing further Securities (“**Further Securities**”) to the Securityholders. Further Securities issued pursuant to this Condition 5(i) may be issued to the Securityholders at an issue price as determined by the Calculation Agent. The Issuer shall, in accordance with Condition 10, notify the Securityholders as soon as reasonably practicable prior to the Maturity Date or the Early Redemption Date, as the case may be, of this method of settlement and the details relating to the issuance of Further Securities (including, but not limited to, the issue price of Further Securities and the date of the issuance of such Further Securities).

The Issuer may issue Further Securities on a date as the Calculation Agent shall determine in its sole and absolute discretion.

If the Securityholder holds more than one Security, the number of Securities held by such Securityholder may be aggregated for the purposes of determining the number of Further Securities to be issued to such Securityholder pursuant to this Condition 5(i).

If the Issuer issues any Further Securities, no Securityholder will be obliged to purchase such Further Securities but if such Further Securities are not purchased pursuant to the relevant terms of offer, the Issuer shall have no further obligations to the relevant Securityholder in respect of its Securities.

(j) *Determinations*

All determinations made by the Issuer and/or the Calculation Agent pursuant to this Condition 5 shall be conclusive and binding on the Securityholders and the Issuer. No Securityholder will be entitled to any compensation from the Issuer or the Calculation Agent for any loss suffered as a result of the occurrence of an event described in Condition 5(c), a Redemption Disruption Event, a Hedging Disruption Event, a Jurisdictional Event, an Illegality Event or any other event that entitles the Issuer to redeem the Securities early. For the purposes of these Conditions, if an event can constitute more than one of such events, the Calculation Agent shall have absolute discretion to determine which of these events such event constitutes.

(k) *Purchases*

The Issuer or any of its Affiliates may at any time purchase Securities at any price in the open market or otherwise. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(l) *Cancellation*

All Securities which are redeemed will forthwith be cancelled. All Securities so cancelled and the Securities purchased and cancelled pursuant to paragraph (k) above cannot be reissued or resold.

## 6 TAXATION AND COSTS

(a) *Payments by Issuer subject to tax and other costs on Security*

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Security and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

(b) *Payments by Issuer subject to tax and other costs incurred by Hedge Provider*

All payments by the Issuer in respect of the Securities will be made after deduction of any commissions, costs, fees, charges, expenses, duties, taxes (including, but not limited to, any capital gains tax or withholding tax), levies, registration fees, custodial fees, or other fees or charges whatsoever incurred by a Hedge Provider (or which would be incurred by a Hedge Provider if it held the relevant Reference Underlyings (or assets constituted thereby)) (together, the “Costs”) as a result of, or in connection with, (i) the holding and/or sale and/or realisation of the relevant Reference Underlyings (or assets constituted thereby) or (ii) entering into and/or unwinding any relevant Hedging Arrangements.

Each Security will be subject to a proportionate share of any Costs.

(c) *Charge on redemption of PRC Property Share Security and PRC Property Index Security*

The Issuer shall include a charge on the redemption of any:

(i) PRC Property Share Security; or

(ii) PRC Property Index Security,

in an amount equal to 10% of the Net Gain (“**Provisional Hedging Cost**”), being an estimate of the PRC Tax to a Hedge Provider. Such Provisional Hedging Cost shall be deducted from the amount payable by the Issuer on redemption of the Securities.

No Securityholder will be entitled to any tax credit associated with the PRC Tax.

(d) *Adjustment*

As soon as reasonably practicable upon the occurrence of a PRC Tax Decision, the Calculation Agent shall make such adjustments as it may deem appropriate to the calculation of the Provisional Hedging Cost as set out in Condition 6(c) above on the basis of the consequence of the PRC Tax Decision going forward.

Any adjustments made under this Condition 6(d) shall be notified to the Securityholders in accordance with Condition 10.

(e) *Rebalancing*

If the PRC Tax Decision occurs prior to the PRC Tax Cut Off Date and the PRC Tax Decision applies retrospectively from any time after the Issue Date, as soon as reasonably practicable after the occurrence of the PRC Tax Decision, the Calculation Agent shall make a comparison of:

- (i) the PRC Tax properly payable by the Issuer and/or the Hedge Provider in respect of the relevant PRC Property Share Security and/or PRC Property Index Security pursuant to the PRC Tax Decision (taking into account, without limitation, the scope of the PRC Tax Decision and the applicable rate at which the PRC Tax is payable); and
- (ii) the Provisional Hedging Cost deducted pursuant to Condition 6(c) above (before any adjustment pursuant to Condition 6(d)),

and a balancing payment of the difference will be due from the Issuer to the Securityholder at the time the comparison is made or vice versa.

To the extent the Provisional Hedging Cost made in respect of the relevant PRC Property Share Security and PRC Property Index Security exceeds PRC Tax properly payable by the Issuer and/or a Hedge Provider and therefore a balancing payment is due from the Issuer to the Securityholder, such payment will be settled on the next payment date (if any) scheduled under the Terms and Conditions and the applicable Final Terms of the Security.

To the extent the PRC Tax properly payable by the Issuer and/or a Hedge Provider exceeds the Provisional Hedging Cost made in respect of the relevant PRC Property Share Security and PRC Property Index Security and therefore a balancing payment is due from the Securityholder to the Issuer, the Issuer shall deduct an amount which equals such excess from the amount payable on redemption of the Securities until such excess has been offset in full.

No adjustment shall be made if the PRC Tax Decision occurs after the PRC Tax Cut Off Date or prior to the PRC Tax Cut Off Date but does not apply retrospectively from any time after the Issue Date.

(f) *Dividend*

Where a cash or non-cash dividend is declared or other corporate action occurs in respect of a PRC Share Security (or the Reference Entity in respect of such PRC Share Security) or a PRC Index Security, the Calculation Agent may make such adjustments as it deems fit to the Terms and Conditions or applicable Final Terms of such Security, which adjustments shall take into account any actual or potential tax liability which does or may arise in respect of the applicable dividend or other corporate action (as the case may be).

Any adjustments and determinations made under this Condition 6(f) shall be notified to the Securityholders in accordance with Condition 10.

For the purposes of Condition 6(c), Condition 6(d), Condition 6(e) and Condition 6(f), the following terms shall have the following meanings:

**“Final Reference Level”** means, in respect of a PRC Property Share Security and a PRC Property Index Security, the price per Reference Underlying or PRC Property Share which is a constituent asset of such Reference Underlying, as applicable (net of Costs), converted into the Specified Currency using the RMB/USD exchange rate prevailing with respect to the settlement date(s) of such Reference Underlyings or PRC Property Shares or Hedging Arrangements sold, unwound or otherwise realised by a Hedge Provider or such other factors as the Calculation Agent shall determine as used by the Calculation Agent as appropriate in computing the Final Redemption Amount or Early Redemption Amount, as the case may be, payable by the Issuer upon redemption of such Security.

**“Final RMB Reference Level”** means, in respect of a PRC Property Share Security and a PRC Property Index Security, the RMB price per Reference Underlying or PRC Property Share which is

a constituent asset of such Reference Underlying, as applicable (net of Costs), used by the Calculation Agent as appropriate in computing the Final Redemption Amount or Early Redemption Amount, as the case may be, payable by the Issuer upon redemption of such Security.

“**Initial Reference Level**” means, in respect of a PRC Property Share Security and a PRC Property Index Security, the price per Reference Underlying or PRC Property Share which is a constituent asset of such Reference Underlying, as applicable (net of Costs), converted into the Specified Currency using the RMB/USD exchange rate prevailing with respect to the settlement date(s) of such Reference Underlyings or PRC Property Shares or Hedging Arrangements entered into by a Hedge Provider or such other factors as the Calculation Agent shall determine as used by the Calculation Agent as appropriate in computing the amount payable by the Securityholder for the subscription of the Security.

“**Initial RMB Reference Level**” means, in respect of a PRC Property Share Security and a PRC Property Index Security, the RMB price per Reference Underlying or PRC Property Share which is a constituent asset of such Reference Underlying, as applicable (net of Costs), used by the Calculation Agent as appropriate in computing the amount payable by the Securityholder for the subscription of the Security.

“**Net Gain**” means:

- (i) in respect of each PRC Property Share Security, an amount which equals the greater of:
  - (A) any excess of the Final Reference Level over the Initial Reference Level of the PRC Property Share Security; and
  - (B) any excess of the Final RMB Reference Level over the Initial RMB Reference Level of the PRC Property Share Security converted into the Specified Currency using the RMB/USD exchange rate prevailing at the time of determination of the Final Redemption Amount or the Early Redemption Amount, as the case may be, as determined by the Calculation Agent,

multiplied by the relevant Number of Reference Underlyings or Number of Basket Component Reference Underlyings, as the case may be, in respect of that Security; and

- (ii) in respect of each PRC Property Index Security, an amount which equals the greater of:
  - (A) any excess of the Final Reference Level over the Initial Reference Level of the PRC Property Index Security; and
  - (B) any excess of the Final RMB Reference Level over the Initial RMB Reference Level of the PRC Property Index Security converted into the Specified Currency using the RMB/USD exchange rate prevailing at the time of determination of the Final Redemption Amount or the Early Redemption Amount, as the case may be, as determined by the Calculation Agent,

multiplied by such factor as determined by the Calculation Agent to be representative of the holding of the relevant PRC Property Share as part of the Hedging Arrangements for the Issuer’s obligations under the PRC Property Index Security.

When computing any Net Gain in respect of any PRC Property Share Security or PRC Property Index Security with different Initial Reference Levels or Initial RMB Reference Levels, as the case may be, such method of calculation as determined by the Calculation Agent to be appropriate will be applied.



“**Number of Basket Component Reference Underlyings**” has the meaning given to it in the Applicable Schedule.

“**Number of Reference Underlyings**” has the meaning given to it in the Applicable Schedule.

“**PRC**” means The People’s Republic of China (excluding Hong Kong, Macau and Taiwan).

“**PRC Index**” means an index which constituent assets comprise one or more PRC Shares.

“**PRC Index Security**” means any Security which Reference Underlying is a PRC Index and which Hedging Arrangements involve the acquisition of a PRC Share which is a constituent asset of the PRC Index.

“**PRC Property Index Security**” means any Security which Reference Underlying is a PRC Index and which Hedging Arrangements involve the acquisition of a PRC Property Share which is a constituent asset of the PRC Index.

“**PRC Property Share**” means, in respect of a PRC Property Share Security or a PRC Property Index Security, a constituent stock of the SSE Real Estate Index (Bloomberg ticker “SHPROP”) at the time of determination of the Final Redemption Amount or the Early Redemption Amount, as the case may be.

“**PRC Property Share Security**” means a Security which Reference Underlying(s) are PRC Property Share(s) and which Hedging Arrangements involve the acquisition of such PRC Property Share(s).

“**PRC Shares**” means securities listed on any PRC stock exchanges or securities issued by an issuer incorporated in the PRC and listed on The Stock Exchange of Hong Kong Limited.

“**PRC Share Security**” means any Security which Reference Underlying(s) are PRC Share(s) and which Hedging Arrangements involve the acquisition of such PRC Share(s).

“**PRC Tax**” means all present, future or contingent taxes on income, gain or profit or other similar taxes (however described) which may be imposed by the PRC tax authorities directly or indirectly on the Issuer and/or a Hedge Provider with respect to the PRC Property Share Securities or PRC Property Index Securities.

“**PRC Tax Cut Off Date**” means, in respect of a PRC Property Share Security, a PRC Property Index Security, a PRC Share Security or a PRC Index Security, the date which falls seven years after:

- (i) the day the final Valuation Period of such Security ends; or
- (ii) where the relevant Security is redeemed prior to the Maturity Date, the Early Redemption Date.

“**PRC Tax Decision**” means the implementation of the tax legislation published by any relevant tax authority in the PRC relating to the PRC Tax payable by the Issuer or a Hedge Provider for dealing in PRC Shares and PRC Property Shares, including the applicability of the Hong Kong/PRC Double Tax Agreement as accepted by the relevant tax authority in the PRC, as determined by the Calculation Agent.

“**RMB**” means the lawful currency of the People’s Republic of China.

## 7 REPRESENTATIONS AND ACKNOWLEDGEMENTS

BY PURCHASING THE SECURITIES, EACH SECURITYHOLDER (AND EACH BENEFICIAL OWNER OF THE SECURITIES (IF DIFFERENT FROM THE SECURITYHOLDER)) REPRESENTS AND CONFIRMS THAT ALL OF THE FOLLOWING STATEMENTS WITH RESPECT TO IT ARE TRUE AND CORRECT ON THE ISSUE DATE OF THE SECURITIES AND ACKNOWLEDGES THAT THE ISSUER HAS RELIED ON SUCH CONFIRMATION AND UNDERSTANDING IN ISSUING THE SECURITIES. FOR THE PURPOSES OF THIS CONDITION 7, A “**SECURITYHOLDER**” INCLUDES THE BENEFICIAL OWNER OF THE SECURITY, IF THE BENEFICIAL OWNER IS NOT THE LEGAL HOLDER OF THE SECURITY.

- (a) The Securityholder is a sophisticated institutional investor and has such knowledge and experience in financial and business matters and expertise in assessing credit, operational and market risk, that it is capable of evaluating merits, risks and suitability of investing in the Securities and that it is relying exclusively on its own sources of information and analysis with respect to the Securities, the Reference Underlyings and the Reference Underlying Jurisdictions and/or all other relevant persons or entities existing in such jurisdictions.
- (b) The Securityholder has made its own decision to invest in the Securities and has itself been, and will at all times continue to be, solely responsible for making its own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of the Issuer and of the Reference Underlyings, and the legal, financial, tax, accounting and other evaluations of the merits and the risks, including the suitability, of investing in the Securities and is not relying on the views or the advice of the Issuer, any other Hedge Provider or any of their respective Affiliates in that regard.
- (c) The Securityholder’s purchase of the Securities (i) is fully consistent with its financial needs, objectives and condition, (ii) complies with and is fully consistent with all investment guidelines, investment restrictions, investment objectives and strategies, financial circumstances or constitutional or other restrictions applicable to it or any applicable law or regulation of the jurisdiction of incorporation of each relevant Reference Entity and in which each such Relevant Entity is listed or traded, and (iii) is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Securities.
- (d) The Securityholder is duly authorised and has full power and capacity to purchase the Securities and in doing so will not violate any applicable law, rules, regulation, judicial or administrative order, or contractual provision (including, for the avoidance of doubt, any disclosure requirements imposed by any governmental or regulatory authority) to which it is subject or to which it is a party.
- (e) The Securityholder has not relied, and will not at any time rely, on the Issuer or any other Affiliate of the Issuer in connection with its determination as to the legality of its purchase of the Securities or as to the other matters referred to in paragraph (d) above, or to provide it with any information relating to, or to keep under review on its behalf, the business, financial condition, prospects, creditworthiness and status of affairs of the entities to which the Reference Underlyings relate or to conduct any investigation or due diligence into such entities.
- (f) In issuing this Security, the Issuer is not making, and has not made, any representations whatsoever as to the Reference Underlyings (or assets constituted thereby) or any information contained in any document filed in respect of such Reference Underlyings with any exchange or with any governmental entity regulating the purchase and sale of securities or such Reference Underlyings (or assets constituted thereby).

- (g) The Issuer and any Affiliate of the Issuer may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the entity or entities to which the Reference Underlyings relate which is or may be material in the context of the Securities and which is or may not be known to the general public or the Securityholder. The Securities do not create any obligation on the part of the Issuer or any Affiliate of the Issuer to disclose to the holder any such relationship or information (whether or not confidential) and neither the Issuer nor any other Affiliate of the Issuer shall be liable to the Securityholder by reason of such non-disclosure.
- (h) The Securityholder is purchasing the Securities either as principal for its own account or in its capacity as manager of a fund, in either case for investment purposes and not with a view to, or for resale in connection with, any distribution or any disposition thereof, and no other person has or will have a direct or indirect beneficial interest in the Securities (other than by virtue of such person's direct or indirect beneficial interest in the Securityholder).
- (i) Having been sent a term sheet with respect to the Securities on or prior to the Issue Date, the initial Securityholder has read the term sheet and, having been given an opportunity to comment on the term sheet, it understands the terms and conditions of the Securities and, in particular, that the Securities may be redeemed at an amount (which may be less than par) and will be net of Costs and it bears the risk of imitations on title and forged certificates of title in respect of the Reference Underlyings (or assets constituted thereby), and it shall be bound by and deemed to have notice of the terms and conditions of the Securities.
- (j) The Issuer and its Affiliates are actively engaged in financial services businesses globally and may in the course of such businesses have or develop business relationships with third parties, including the entities to which the Reference Underlyings relate (including, without limitation, lending, depository, risk management, advisory and banking relationships). They may also, amongst other things, be members of and/or have an ownership interest in an exchange or other venue on which securities are traded, make markets in securities, buy or sell securities on a principal or proprietary basis and/or take direct or indirect interests in securities, including such Reference Underlyings (or assets constituted thereby), whether by way of security interest or otherwise. In acting in these capacities, the Issuer and/or its Affiliates may at the date hereof or at any time hereafter have or acquire non-public information with respect to such Reference Underlyings (or assets constituted thereby) and/or the entities to which such Reference Underlyings relate that is or may be material in the context of the Securities, which will not be provided to Securityholders. In addition, the interests of the Issuer and/or its Affiliates may conflict with the interests of the Securityholders and the Issuer reserves the right to take such actions as it considers necessary or appropriate (including, without limitation, any sale, disposal or enforcement of security of or over such Reference Underlyings (or assets constituted thereby)) to protect its interests without regard to the consequences for the Securityholders.
- (k) All payments by the Issuer in respect of the Securities will be made subject to any tax, duty, withholding or other payment and after deduction of any Costs, all as provided in Condition 6.
- (l) Selling restrictions
  - (i) **European Economic Area.** With effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Issuer has not made and will not make an offer of Securities to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities which are the subject of the offering

contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State:

- (A) if the final terms in relation the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in the Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (C) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of Securities to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

- (ii) **Hong Kong.** The Securityholder (A) has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Securities except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) other than (1) to “professional investors” as defined in the SFO and any rules made under the SFO or (2) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and (B) has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if

permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

- (iii) **India.** This Base Prospectus has not been and will not be registered as a prospectus with the Registrar of Companies (as defined in the Companies Act, 1956, hereinafter referred to as the “**Registrar of Companies**”) and the Securities will not be offered or sold in the Republic of India (“**India**”), and no other offering document or material relating to the Securities, directly or indirectly, has been circulated to any members of the public in India and if the Securities are deemed to be Offshore Derivative Instruments (“**ODIs**”) by virtue of being linked to any Indian Reference Underlying, the provisions in sub-paragraphs (A) to (E) below shall apply:
- (A) The Securityholder is an entity regulated by an appropriate foreign regulatory authority as set out in the Regulation 15A of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time (collectively referred to as the “**FII Regulations**”).
- (B) The Securityholder is not:
- (1) “a person resident in India” (as such term is defined in the Foreign Exchange Management Act, 1999, as amended or supplemented from time to time); or
  - (2) a “Non-Resident Indian” (as such term is defined in the Foreign Exchange Management (Deposit) Regulations 2000, as may be amended from time to time),
- (each a “**Restricted Entity**”); or
- (3) a person whose controller is a Restricted Entity.
- (C) The Securityholder has not offered, sold, transferred, delivered or otherwise disposed of or entered into any transactions referencing the Securities and will not offer, sell, transfer, deliver or otherwise dispose of any Securities to or enter into any transactions referencing the Securities with any person, in any such case directly or indirectly:
- (1) within India; or
  - (2) to (x) any Restricted Entity, (y) any person whose controller is a Restricted Entity or (z) an entity which is not “a person regulated by an appropriate foreign regulatory authority” as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the FII Regulations (an “**Unregulated Entity**”).

For this purpose,

“**control**” means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner.

“**controller**” means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who:

- (1) is/are entitled to exercise or control the exercise of a majority or more of the voting power of an entity; or
- (2) holds or is otherwise entitled to a majority or more of the economic interest in an entity; or
- (3) who in fact exercises control over an entity.

Notwithstanding the foregoing definitions, in the case only where an entity's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity's controller for the purposes of the representation above by reason only of it being able to control decision-making in relation to the entity's financial, investment and /or operating policies.

**“Indian Reference Underlyings”** means the securities held by the Issuer or any of its Affiliates that are listed or proposed to be listed on any recognised stock exchange in India and/or as otherwise may be specified by SEBI from time to time;

- (D) The Securityholder represents as a condition to purchasing or owning such Security or any beneficial interest therein that neither it nor any person for whose account or benefit the Securities are being purchased (1) is a Restricted Entity or is located in India and (2) has purchased the Securities with the intent of circumventing or otherwise avoiding any requirements applicable under the FII Regulations (including, without limitation, any restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in ODIs with Restricted Entities and Unregulated Entities).
- (E) The Securityholder confirms that it will procure its nominees or associates/affiliates to provide the Issuer and/or any of its associates/Affiliates (as the case may be) promptly with such additional information that the Issuer and/or any of its associates/Affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of any relevant governmental or regulatory authority from time to time.
- (F) The Securityholder represents that:
  - (1) it is not a protected cell company (“**PCC**”) or segregated portfolio company (“**SPC**”) and does not have an equivalent structure howsoever described; and
  - (2) it is not a multi class share vehicle (“**MCV**”) by constitution and does not have an equivalent structure howsoever described and contains only a single class of shares; or
  - (3) it is a MCV by constitution and has more than one class of shares or has an equivalent structure and either:
  - (4) a common portfolio is maintained for all of its classes of shares and it is broad based; or
  - (5) a segregated portfolio is maintained for each of its classes of shares and each class of shares is broad based.

For the purposes of this Condition 7(l)(iii)(F), “PCC”, “SPC” and “MCV” are to be used in the context referred to in the SEBI Circular issued to Foreign

Institutional Investors dated 15 April 2010 and “broad based” is as defined in the SEBI (Foreign Institutional Investor) Regulations, 1995, as amended.

- (iv) **Indonesia.**
- (A) No license nor action has been or will be obtained and taken in Indonesia that would permit a public offering and/or sale of the Securities, or require a prospectus, offering and/or sale document to be filed with Bank Indonesia and/or Indonesian Financial Services Authority (Otoritas Jasa Keuangan – “**OJK**”) as well as the relevant authorities with respect to the offering and/or sale of the Securities and none of this document, offering material or term sheet or final terms (the “**Material**”) has been or will be registered or filed under the Indonesian Capital Market law or with Bank Indonesia and/or OJK. The Material may not be forwarded or distributed, in whole or in part, to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this documents in whole or in part is unauthorized. The Securities may not be offered in Indonesian territory. Failure to comply with this restriction may result in violation of the capital market law or the applicable laws of the Republic of Indonesia; and
- (B) where the Securities are linked to shares of the companies incorporated in Indonesia that are listed on any stock exchange in Indonesia, the Securityholder represents as a condition to purchasing or owning such Securities that: (1) it is not an Indonesian citizen (x) resident in Indonesia and/or (y) resident outside Indonesia (in either case, an “**Indonesian Citizen**”); (2) such Securities are not being purchased, directly or indirectly, by an Indonesian Citizen, or for the account of, or benefit of, any Indonesian Citizen; and (3) it understands and agrees that such Securities may not be offered, sold or delivered, directly or indirectly, in Indonesia, or to any Indonesian Citizen, and it undertakes not to offer, sell or deliver directly or indirectly such Securities in breach of the foregoing.
- (v) **Korea.** The Securityholder: (A) has subscribed for the Securities as principal, and it will not directly or indirectly offer, sell or deliver any Securities in Korea, to any person for re-offering or re-sale directly or indirectly in Korea except as otherwise permitted by applicable Korean laws and regulations; and (B) where the Securities are linked to shares of the companies incorporated in Korea that are listed on the Korean Stock Exchange and quoted in Korean Won, will not directly or indirectly offer, sell or deliver any Securities to any person with Korean nationality (whether resident in Korea or not) or to any resident of Korea, or to others for re-offering or resale directly or indirectly to any person with Korean nationality (whether resident in Korea or not) or to any resident of Korea.
- (vi) **Malaysia.** (A) No prospectus in relation to the Securities has been registered with the Securities Commission of Malaysia (“**SC**”) pursuant to the Capital Markets and Services Act 2007 of Malaysia (“**CMSA**”); and (B) the Securities shall not be offered for subscription or sold, directly or indirectly, nor may an invitation or offer to subscribe for or sell such Securities be made in Malaysia unless such offer or invitation has been approved by the SC or is otherwise exempted under Schedule 5 of CMSA, and it is exclusively made to persons specified under Schedules 6 and 7 of the CMSA, which shall include, *inter alia*, sophisticated investors, holder(s) of capital markets services license and persons outside Malaysia.
- (vii) **Pakistan.** The Securityholder represents as a condition to purchasing or owning such Security or any beneficial interest therein that neither it nor any person for whose account or

benefit the Securities are being purchased is a resident of Pakistan, for the purpose of the Foreign Exchange Manual and the Foreign Exchange Regulation Act, 1947 (a “**Resident of Pakistan**”) and the Securityholder will not offer, sell or deliver the Securities, directly or indirectly, in Pakistan, or to any Resident of Pakistan. In the event that the Securities are transferred by the Securityholder, the Securityholder undertakes to use best endeavours to ensure that any other person who has or will have a direct or indirect beneficial interest in the Securities is not a Resident of Pakistan.

- (viii) **PRC.** The Securityholder represents as a condition to purchasing or owning such Security or any beneficial interest therein that: (A) the Securityholder will not offer, sell or deliver, directly or indirectly, the Securities in the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) (the “**PRC**”); and (B) if the Securities are linked to shares of the companies incorporated in the PRC that are listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and quoted in Renminbi, the provisions in sub-paragraphs (1) to (6) below shall apply:
- (1) neither it nor any person for whose account or benefit the Securities are being purchased is a Domestic Investor (as defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited);
  - (2) the Securityholder is not owned in whole or in part, directly or indirectly, by one or more Domestic Investors;
  - (3) the Securityholder is not financing all or any part of its purchase of the Securities with moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC;
  - (4) to the extent the Securityholder is incorporated, domiciled or resident in Taiwan or is owned or controlled by a person(s) or entity(ies), incorporated, domiciled or resident in Taiwan (collectively, a “**Taiwan Related Party**”), the Securityholder:
    - (x) confirms that it (a) is not prohibited by any applicable Taiwan law, regulation, self-regulatory guideline or policy applicable to dealings by Taiwan Related Parties with Mainland China (“**Cross Straits Rules**”) from purchasing the relevant Securities and (b) will, in making such purchase, be in full compliance with any limitations under the Cross Straits Rules or otherwise on the amount, scope or nature of investments by him/her/it in Securities; and
    - (y) acknowledges and understands that it is the Securityholder’s sole responsibility to determine, based on his/her/its own evaluation and advice from his/her/its professional advisors, that the purchase by him/her/it of Securities complies with the Cross Straits Rules and that it/he/she shall place no reliance whatsoever on the Issuer, any Dealer or its nominated affiliate in such regard;
  - (5) the Securityholder understands and agrees that the Securities may not be offered, sold or delivered, directly or indirectly, in the PRC (excluding Hong Kong, Macau and Taiwan), or to any Domestic Investor, and the Securityholder undertakes not to offer, sell or deliver, directly or indirectly, the Securities in breach of the foregoing;
  - (6) the Securityholder is not a trustee of a trust the interests in which are majority-owned by, and the management decision over which is controlled by, one or more Domestic Investor(s) (a “**Trust**”). For the avoidance of doubt, in the case only where a Trust’s



investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this definition by reason only of it being able to control the decision-making in relation to the entity's financial, investment and/or operating policies; and

- (7) in the event that the Securities are transferred by the Securityholder, the Securityholder will ensure that the transferee: (a) is not a Domestic Investor; (b) is not owned in whole or in part, directly or indirectly, by a Domestic Investor; (c) if the transferee is a Taiwan Related party, makes the confirmations and acknowledgements as set out in sub-paragraph(s) (4)(x) and (y) above as though it were the Securityholder; (d) is not financing all or any part of its purchase of the Securities from PRC sources; and (e) is not a Taiwan resident investor acquiring the PRC Share Securities or PRC Index Securities for the purpose of gaining or exercising control or influence, directly or indirectly, over the management of any company incorporated in the PRC.
- (ix) **Russia.** The Securityholder represents as a condition to purchasing or owning such Security or any beneficial interest therein that it will not offer or sell or transfer or otherwise dispose of, and will not offer or sell or transfer or otherwise dispose of, any Securities (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law. Since neither the issue of the Securities nor a securities prospectus in respect of the Securities has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation (the “**FSFM**”), the Securities are not eligible for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian “qualified investors” (as defined under Russian law) in a manner that is permitted under Russian law and that does not constitute “advertisement”, “placement” or “public circulation” of the Securities in the Russian Federation. Information set forth in the Base Prospectus and the applicable Final Terms 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.
- (x) **Saudi Arabia.** Where the Securities are linked to any Reference Underlying listed on the Saudi Stock Exchange (*Tadawul*) (“**Underlying Saudi Company**”), the Securityholder represents as a condition to purchasing or owning such Securities or any beneficial interest therein that the Securityholder: (A) is aware of the terms of the Kingdom of Saudi Arabia Capital Markets Authority (“**CMA**”) Board of Commissioners resolution 2-28-2008 dated 18th August 2008 and amended by the CMA Board of Commissioners resolution 3-10-2010 dated 16th March 2010 (“**CMA Resolution**”), which allows “Authorised Persons” to enter into derivative transactions with non-resident foreign investors, whether institutions or individuals, to transfer the economic benefits of shares which are listed on the Saudi Stock Exchange (*Tadawul*), while Authorised Persons retain the legal ownership of such shares. Pursuant to the conditions specified in the CMA Resolution, Authorised Persons are required to provide certain information on beneficiaries who obtain the economic benefits of such shares; (B) consents to the Issuer and/or its Affiliates providing such information as may be requested by the CMA, including, without limitation, the full legal name of the beneficial owner of the Securities, its country of origin and the names and quantities of the underlying shares (the “**CMA Required Information**”) to make any notifications and/or reports to the

CMA and undertakes to provide such information, in a timely manner, to the Issuer and/or its Affiliates upon request; and (C) acknowledges that the CMA reserves the right to instruct the Issuer and/or its Affiliates or any other entity through which the Issuer hedges the Securities to impose any qualitative or quantitative restrictions or any other requirements on hedging activity corresponding to the Securities. Accordingly, the holder of the Securities acknowledges that the Issuer and/or its Affiliates may be obliged to give effect to such restrictions or requirements and may do so in such manner as the Issuer deems most expedient, whether by terminating or amending the terms of the Securities.

- (xi) **Singapore.** The Securityholder acknowledges that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Securities will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, the Securityholder represents and agrees that this Base Prospectus, any applicable Final Terms relating to any Securities and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Securities has not been circulated or distributed and will not be circulated or distributed, that the Securities have not been offered or sold or been caused to be made the subject of an invitation for subscription or purchase, and that the Securities will not be offered or sold, or be caused to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (A) to an institutional investor pursuant to Section 274 of the SFA, (B) to a relevant person under Section 275(1) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (C) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following persons specified in Section 275 of the SFA which has subscribed or purchased Securities, namely a person who is:

- (1) 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
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that securities (as defined in section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (however so described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Securities under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law; or
- (d) pursuant to Section 276(7) of the SFA.

- (xii) **Switzerland.** The Securityholder will only offer and sell the Securities in accordance with rules and regulations in Switzerland and acknowledges that the issuance of the Securities is subject to guidelines or restrictions imposed by governmental, banking or securities authorities in Switzerland. In respect of Securities with a maturity of one year or longer, the Securityholder will not sell such Securities to Swiss resident private investors in any case.
- (xiii) **Taiwan.**
- (A) The Securities may not be sold offered or issued to Taiwan resident investors or in Taiwan unless they are made available, (1) outside Taiwan for purchase by such investors outside Taiwan and/or (2) in Taiwan through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products under which rules the Securities have been registered in Taiwan;
- (B) where the Securities are linked to shares of the companies incorporated in the PRC that are listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and quoted in Renminbi, such Securities may be made available, outside Taiwan, to Taiwan resident investors otherwise legally permitted to invest in such products so long as such investors are not investing therein for purposes of gaining or exercising control or influence, directly or indirectly, over the management of any such shares, Reference Entities or sponsors but are not permitted to be offered, marketed, sold or issued in Taiwan; and
- (C) where the Securities are linked to any Reference Underlying listed in Taiwan (“**Taiwanese Reference Underlyings**”), the Securityholder represents as a condition to purchasing or owning such Securities or any beneficial interest therein that:
- (1) it is not funding all or part of its purchase of Securities linked to Taiwanese Reference Underlyings, whether directly or indirectly, from moneys financed by or sourced from Taiwan nor PRC sources; and
- (2) it understands and acknowledges that the following categories of persons are not allowed to hold and trade such Securities:
- (I) nationals of Taiwan or individuals known, or reasonably believed, to be representing the interests of Taiwanese citizens;
- (II) nationals of the ‘PRC or individuals known, or reasonably believed, to be representing the interests of PRC citizens;
- (III) individuals domiciled or companies incorporated in Taiwan or the PRC;
- (IV) Taiwanese insiders intending to trade their companies’ shares;
- (V) overseas companies beneficially owned or controlled by Taiwanese or PRC nationals; and
- (VI) offshore personal investment companies of which any of those listed in the paragraphs (I) to (V) above is a beneficial owner.
- (xiv) **United Kingdom.** The Securityholder (A) has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) with respect to anything done in relation to the Securities in, from or otherwise involving the United Kingdom and (B) 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 which Section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer.

- (xv) **United States.** The Securities have not been, are not being and will not be, registered under the Securities Act and are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and that is exempt from the registration requirements of the Securities Act. The Securityholder either (A) is outside the United States and is not a U.S. person (as such terms are defined in Regulation S under the Securities Act) and has not offered or sold any Securities within the United States or to, or for the account or benefit of, U.S. persons or (B) is a qualified institutional buyer as defined in Rule 144A under the Securities Act and has validly completed, executed and delivered an investor representation letter in the form provided by the Issuer or the Principal Paying Agent.
- (xvi) **Vietnam.** The Securityholder has not offered, sold or delivered and will not offer, sell or deliver any Securities in the Socialist Republic of Vietnam unless otherwise permitted by the applicable laws and regulations of the Socialist Republic of Vietnam.
- (xvii) **General.**
  - (A) No action has been taken by the Securityholder that would, or is intended to, permit a public offer of the Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Securityholder undertakes that it will not, directly or indirectly, offer or sell any Securities or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Securities by it will be made on the same terms.
  - (B) (1) The Securityholder is not an insider and does not possess non-public material price sensitive information on any of the Reference Entities or issuers or sponsors of any Reference Underlyings and is not entering into this transaction on the basis of material non-public information regarding such Reference Entities, issuers or sponsors; and (2) the investment hereunder is solely a financial investment and is not for the purpose of acquiring or exercising control or influence, directly or indirectly, over the management of any such Reference Entities, issuers or sponsors.
- (m) The Securityholder acknowledges that the Issuer and/or any of its Affiliates may be required to disclose information in respect of the Securities or relating to the issue of, and subsequent trading in, the Securities or any other information as may be required by any relevant governmental or regulatory authorities or as may be required under any law, regulation, orders or lawful request, including but not limited to information concerning the identity of any party having a legal or beneficial interest in the Securities (as appropriate, for example, (i) the category to which the Securityholder belongs (i.e. hedge fund, corporate, individual, pension fund, trust, etc.); and (ii) if the Securityholder is a fund, names of its fund managers and investment advisors; and the Securityholder consents to waive confidentiality with regard to any such disclosure. The Securityholder further agrees to promptly (A) provide or procure the provision of such information to the Issuer and/or its Affiliates upon request by the Issuer and/or its Affiliates, and where such information is maintained by any third party on behalf of the Securityholder, the Securityholder shall ensure that appropriate procedures are implemented with such third party to enable the prompt

disclosure of such information to the Issuer and/or its Affiliates upon request, and (B) having so informed the Issuer, provide the requested information directly to the applicable regulatory authority.

- (n) The Securityholder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Securities and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be Securityholders for the purposes of the Securities and shall be bound by the terms and conditions of the Securities.

## **8 PRESCRIPTION**

The Securities will become void unless claims in respect of principal, distribution, interest and/or premium are made within a period of 10 years (in the case of any principal) and five years (in the case of any distribution, interest or premium) after the date upon which payment becomes due.

## **9 REPLACEMENT OF SECURITIES**

Should any Security be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar or any Paying Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities must be surrendered before replacements will be issued.

## **10 NOTICES**

- (a) All notices will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the Securityholders (or the first named of joint Securityholders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, (i) for so long as any Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Luxembourg Stock Exchange, which is expected to be the *Luxemburger Wort* or notices will be made available on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu); and (ii) for so long as any Securities are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Irish Stock Exchange, which is expected to be the *Irish Times* or notices will be made available on the website of the Irish Stock Exchange at [www.ise.ie](http://www.ise.ie).
- (b) Until such time as any definitive Securities are issued, there may, so long as any Global Securities representing the Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such mailing of notices delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the Securityholders. Any such notice shall be deemed to have been given to the Securityholders on the second weekday following such delivery. In addition, (i) for so long as any such Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Luxembourg Stock Exchange; and (ii) for so long as any such Securities are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Irish Stock Exchange.

## 11 MEETINGS OF SECURITYHOLDERS AND MODIFICATION

- (a) The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Terms and Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in nominal amount or number, as the case may be, of the Securities for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount or number of the Securities held or represented by him or them, except that at any meeting, the business of which includes the modification of certain of these Terms and Conditions, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the nominal amount or number of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders will be binding on all Securityholders, whether or not they are present at the meeting.

The Agency Agreement defines “**Extraordinary Resolution**” to mean (i) a resolution passed at a meeting of the Securityholders duly convened and held in accordance with the provisions of the Agency Agreement by a majority consisting of not less than 75 per cent. of the votes cast thereat; (ii) a written resolution of the Securityholders in accordance with the provisions of the Agency Agreement; or (iii) a consent given by way of electronic consents through Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, by or on behalf of the Securityholders in accordance with the provisions of the Agency Agreement.

- (b) The Principal Paying Agent and the Issuer may agree, without the consent of the Securityholders, to (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of any of these Terms and Conditions or any of the provisions of the Agency Agreement which is not, in the opinion of the Principal Paying Agent, materially prejudicial to the interests of the Securityholders; or (ii) any modification which is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of the law or regulations or is considered necessary by the Issuer and is approved by the relevant stock exchange, if any, on which the Securities are listed.
- (c) Any modification shall be binding on the Securityholders and, unless the Principal Paying Agent agrees otherwise, any modification shall be notified by the Issuer to the Securityholders as soon as reasonably practicable thereafter in accordance with Condition 10.
- (d) Should any of the provisions contained in these Terms and Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

## 12 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Securityholders to create and issue further Securities having terms and conditions the same as the Securities or the same in all respects save for the amount and date of the first payment of any distribution, interest and/or premium thereon and so that the same shall be consolidated and form a single Series with the outstanding Securities.

## 13 CALCULATIONS AND DETERMINATIONS

The calculations and determinations of the Calculation Agent shall (save in the case of manifest error) be final and binding upon the Securityholders and the Issuer. Save as set out in the Agency Agreement, no

liability to the Securityholders shall attach to the Calculation Agent in connection with the exercise or non-exercise of its powers, duties and discretions pursuant to the Conditions.

Unless otherwise provided in the Conditions, each determination, decision (including, where a matter is to be decided by reference to a person's opinion), calculation, selection or adjustment made by the Issuer, the Calculation Agent or any other person in accordance with the Conditions shall be made by the Issuer, the Calculation Agent or such other person, as the case may be, acting in good faith and in a commercially reasonable manner taking into account any market factors and other factors as the Issuer, the Calculation Agent or such other person deems relevant including, without limitation, any Hedging Arrangements (including, without limitation, any impact on such position, the ability to retain such position and the cost of unwinding any such position).

## 14 SUBSTITUTION AND MERGER OF THE ISSUER

### (a) *Substitution of Branch*

The Issuer may at any time, without the consent of the Securityholders, substitute for the Branch (the "**Branch**") specified in the applicable Final Terms, or for any previous Substitute Branch (as defined below), any other branch of the Issuer as the branch through which it is acting in relation to the Securities (the "**Substitute Branch**"), provided that no payment in respect of the Securities is overdue, and provided that no such substitution would thereupon give rise to a redemption for taxation reasons as a result of the application of the laws of the Substitute Branch's country of domicile or residence for taxation purposes. In the event that the Branch, or the then Substitute Branch, should cease to exist, such a substitution shall be effected prior to the cessation of operations by the Branch or such Substitute Branch, as the case may be. Such substitution shall be permitted only if:

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

Not more than 30 nor less than 15 days prior to the effective date of such substitution, the Issuer shall procure the notification to the Securityholders, in accordance with Condition 10, of such substitution, stating that copies, or pending execution thereof final drafts, of all relevant documents relating to such substitution and of the legal opinions are available for inspection by Securityholders at the specified offices of the Paying Agents. The originals of all relevant documents relating to such substitution will be delivered to the Principal Paying Agent to hold until there are no claims outstanding in respect of the Securities.

(b) *Substitution in Place of the Issuer*

The Issuer may at any time substitute, without the consent of the Securityholders provided that no payment in respect of the Securities is overdue, an Affiliate of the Issuer to assume liability for the due and punctual payment of all payments on all the Securities then outstanding and the performance of all the Issuer's other obligations under all Securities then outstanding. Upon any such assumption, the assuming entity shall succeed to the rights and obligations of the Issuer (or any previous assuming entity) under the Securities and the Issuer (or any previous assuming entity) shall be released from its liability on the Securities. Such assumption shall be permitted only if, in addition to assuming the obligations of the Issuer (or of any previous assuming entity) under the Securities:

- (i) the assuming entity and the Issuer shall, by means of a deed poll (the "**Deed Poll**"), agree to indemnify each Securityholder against (A) any taxes, duties, fees, assessments or governmental charges of whatever nature which are imposed on such Securityholder with respect to such Security, and which would not have been so imposed had such assumption not been made, (B) any taxes, duties, fees, assessments or governmental charges of whatever nature imposed on or relating to such substitution and (C) any costs or expenses of the act of such substitution;
- (ii) the Issuer shall in the Deed Poll unconditionally guarantee all payments in respect of the Securities;
- (iii) the assuming entity and the Issuer shall warrant, by means of the Deed Poll, that all necessary governmental approvals and consents for the assumption by the assuming entity of its obligations and the giving and implementation of the Issuer's guarantee have been obtained and are in full force and the obligations of the assuming entity under the Securities and of the Issuer under its guarantee to guarantee payments in respect of the Securities are legal, valid, binding and enforceable in accordance with their terms; and
- (iv) the assuming entity and the Issuer shall have obtained legal opinions from independent legal advisers of recognised standing in the country of incorporation of the assuming entity and Switzerland that the obligations of the assuming entity and of the Issuer in respect of the Securities and the Deed Poll are legal, valid and binding and that all consents and approvals as aforesaid have been obtained.

Not more than 30 nor less than 15 days prior to the effective date of the assumption by the assuming entity, the Issuer shall procure the notification to Securityholders, in accordance with Condition 10, of the assumption, stating that copies, or pending execution thereof final drafts, of the Deed Poll and other relevant documents and of the legal opinions are available for inspection by Securityholders at the specified offices of the Paying Agents. The originals of the Deed Poll and other documents will be delivered to the Principal Paying Agent to hold until there are no claims outstanding in respect of the Securities. The assuming entity and the Issuer shall in such documents acknowledge the right of every Securityholder to the production of such documents for the enforcement thereof or of the Securities.

Upon the assumption becoming effective, references (if any) in these Terms and Conditions to Switzerland shall be deemed to be replaced by references to the country of incorporation and, if different, the country of tax residence of the assuming entity.

(c) *Merger of the Issuer*



The Issuer may, without the consent of the Securityholders, consolidate with or merge into or sell, lease, transfer or convey all or substantially all of its property to another corporation, entity or person provided that the successor corporation, entity or person assumes all obligations of the Issuer under the Securities pursuant to the terms of the Agency Agreement.

## **15 LIABILITY AND OBLIGATIONS OF THE ISSUER**

In no event shall the Issuer have any liability for indirect or consequential damages (whether or not it has been advised of the possibility of such damages) other than interest and premium (if any) until the date of payment on sums not paid when due.

## **16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Securities, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **17 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### *(a) Governing law*

The Agency Agreement, the Deed of Covenant and the Securities (and any non-contractual obligations arising out of or in connection with these) are governed by, and shall be construed in accordance with, English law.

### *(b) Submission to jurisdiction*

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

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

**SCHEDULE 1**  
**PROVISIONS RELATING TO EQUITY LINKED SECURITIES**

This Schedule shall apply to each Reference Underlying specified as “Single Reference Underlying” or “Basket of Reference Underlyings” under “Type of Reference Underlying” in the applicable Final Terms.

For the avoidance of doubt, defined terms used in this Schedule shall only apply in respect of Equity Linked Securities.

**1. DEFINITIONS**

“**Affected Basket Component(s)**” has the meaning given in paragraph 2 in this Schedule.

“**Basket**” has the meaning ascribed to it in the definition of “Basket Component” below.

“**Basket Component**” means, in respect of Securities that are linked to a basket of Reference Underlyings, each type of share, warrant, convertible bond or exchange-traded fund unit comprising the basket (the “**Basket**”) of Reference Underlyings as specified in the applicable Final Terms.

“**Basket Component Reference Underlying**” means, in respect of a Basket Component, the share, warrant, convertible bond or exchange-traded fund unit constituting or constituted in such Basket Component.

“**Closing Price**” means, in respect of a Reference Underlying or Basket Component Reference Underlying and in respect of any day, (a) the official closing price for such Reference Underlying or Basket Component Reference Underlying on such date as determined by the Calculation Agent or (b) if the official closing price is not available on such day, the last available official closing price, in each case, converted into the Specified Currency by the Calculation Agent using the Exchange Rate prevailing on such date.

“**Conversion Costs**” means (a) in respect of Securities not linked to a Basket, an amount equal to the costs per Converted Reference Underlying incurred (or which would be incurred in such a conversion) in converting Unconverted Reference Underlyings into Converted Reference Underlyings (including any exceptional charges for such conversion) during the Conversion Period as determined by the Issuer; and (b) in respect of Securities linked to a Basket and in respect of each Basket Component Reference Underlying, an amount equal to the costs per Converted Basket Component Reference Underlying incurred (or which would be incurred in such a conversion) in converting Unconverted Basket Component Reference Underlyings into Converted Basket Component Reference Underlyings (including any exceptional charges for such conversion) during the relevant Conversion Period as determined by the Calculation Agent, in each case, converted into the Specified Currency by the Calculation Agent using the prevailing Exchange Rate at such time as determined by the Calculation Agent.

“**Conversion Period**” means the period from (and including) the Issue Date to (and including) the Valuation Date.

“**Converted Basket Component Reference Underlying**” means, in respect of any Basket Component Reference Underlying that may be subject to a conversion, the reference underlying into which such Basket Component Reference Underlying has been converted.

“**Converted Reference Underlying**” means, in respect of any Reference Underlying that may be subject to a conversion, the reference underlying into which such Reference Underlying has been converted.

**“Disrupted Day”** means:

- (a) if the Securities are not linked to a Basket, any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, in each case, in respect of the Reference Underlying; or
- (b) if the Securities are linked to a Basket, any Scheduled Trading Day on which (i) any Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, in each case, in respect of any of the Basket Component Reference Underlyings.

**“Early Redemption Amount”** means, subject to Condition 5(f), Condition 5(g), Condition 6 and this Schedule, in respect of a redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) only, in respect of each Security:

- (a) **Participation Securities – Single Reference Underlying:** if “Participation Securities” is specified as the “Early Redemption Amount/Method of calculation” in the Final Terms and the Securities are not linked to a Basket:
  - (i) if the Reference Underlyings have not been converted into a Converted Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:  
$$\text{Reference Price of the Reference Underlyings} \times \text{Number of Reference Underlyings}$$
  - (ii) if some or all of the Reference Underlyings have been converted into a Converted Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:  
$$[(\text{Reference Price of the Converted Reference Underlyings} - \text{Conversion Costs}) \times \text{Number of Converted Reference Underlyings}] + [\text{Reference Price of the Unconverted Reference Underlyings} \times \text{Number of Unconverted Reference Underlyings}]$$
- (b) **Participation Securities – Basket:** if “Participation Securities” is specified as the “Early Redemption Amount/Method of calculation” in the Final Terms and the Securities are linked to a Basket:
  - (i) if no Basket Component Reference Underlying has been converted into a Converted Basket Component Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket Component in the Basket, where for this purpose the Basket Component Price for each such Basket Component is determined by the Calculation Agent in accordance with the following formula:  
$$\text{Reference Price of the Basket Component Reference Underlying} \times \text{Number of Basket Component Reference Underlyings}$$
  - (ii) if some or all of the Basket Component Reference Underlyings have been converted into a Converted Basket Component Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket

Component in the Basket, where for this purpose the Basket Component Price for each such Basket Component is determined by the Calculation Agent in accordance with the following formula, subject to a minimum of zero:

$$[(\text{Reference Price of the Converted Basket Component Reference Underlyings} - \text{Conversion Costs}) \times \text{Number of Converted Basket Component Reference Underlyings}] + [\text{Reference Price of the Unconverted Basket Component Reference Underlyings} \times \text{Number of Unconverted Basket Component Reference Underlyings}]$$

- (c) **Outperformance Securities – Single Reference Underlying:** if “Outperformance Securities” is specified as the “Early Redemption Amount/Method of calculation” in the Final Terms and the Securities are not linked to a Basket, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Reference Underlyings}] + \text{sum of Daily Outperformance for the period from (and including) the Trade Date to (and including) the Valuation Date}$$

Where:

“**Daily Outperformance**” means, on any day, an amount determined by the Calculation Agent in accordance with the following formula:

$$(\text{Number of Reference Underlyings} \times \text{Closing Price}) \times \text{Outperformance Factor} / 365$$

- (d) **Outperformance Securities – Basket:** if “Outperformance Securities” is specified as the “Early Redemption Amount/Method of calculation” in the Final Terms and the Securities are linked to a Basket, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket Component in the Basket, where for this purpose the Basket Component Price for each such Basket Component is determined by the Calculation Agent in accordance with the following formula:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Basket Component Reference Underlyings}] + \text{sum of Daily Outperformance for the period from (and including) the Trade Date to (and including) the Valuation Date}$$

Where:

“**Daily Outperformance**” means, on any day, an amount determined by the Calculation Agent in accordance with the following formula:

$$(\text{Number of Basket Component Reference Underlyings} \times \text{Closing Price}) \times \text{Outperformance Factor} / 365$$

- (e) such other amount as specified in the applicable Final Terms.

The Early Redemption Amount shall be subject to a minimum of zero.

“**Early Redemption Event**” means an event the occurrence of which entitles the Issuer to redeem the Securities early in accordance with the Conditions (other than as a result of the operation of Condition 5(d)).

“**Exchange**” means, in respect of a Reference Underlying, the stock exchange or quotation system so specified in the applicable Final Terms or such other stock exchange or quotation system on

which such Reference Underlying is, in the determination of the Calculation Agent, traded or quoted as the Calculation Agent may (in its absolute discretion) select and notify to Securityholders in accordance with Condition 10 or (in any such case) any transferee or successor exchange or quotation system.

“**Exchange Business Day**” means, in respect of a Reference Underlying, any Scheduled Trading Day on which each Exchange and each Related Exchange in respect of such Reference Underlying are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Final Closing Price**” means the Closing Price as determined by the Calculation Agent on the Valuation Date.

“**Final Redemption Amount**” means, subject to Condition 5(f), Condition 5(g), Condition 6 and this Schedule, in respect of a redemption pursuant to Condition 5(b) only, in respect of each Security:

(a) **Participation Securities – Single Reference Underlying:** if “Participation Securities” is specified as the “Final Redemption Amount/Method of calculation” in the Final Terms and the Securities are not linked to a Basket:

(i) if the Reference Underlyings have not been converted into a Converted Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

Reference Price of the Reference Underlyings x Number of Reference Underlyings

(ii) if some or all of the Reference Underlyings have been converted into a Converted Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

[(Reference Price of the Converted Reference Underlyings – Conversion Costs) x Number of Converted Reference Underlyings] + [Reference Price of the Unconverted Reference Underlyings x Number of Unconverted Reference Underlyings]

(b) **Participation Securities – Basket:** if “Participation Securities” is specified as the “Final Redemption Amount/Method of calculation” in the Final Terms and the Securities are linked to a Basket:

(i) if no Basket Component Reference Underlying has been converted into a Converted Basket Component Reference Underlying, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket Component in the Basket, where for this purpose the Basket Component Price for each such Basket Component is determined by the Calculation Agent in accordance with the following formula:

Reference Price of the Basket Component Reference Underlying x Number of Basket Component Reference Underlyings

(i) if some or all of the Basket Component Reference Underlyings has been converted into a Converted Basket Component Reference Underlying, an amount in the

Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket Component in the Basket, where for this purpose the Basket Component Price for each such Basket Component is determined by the Calculation Agent in accordance with the following formula, subject to a minimum of zero:

$$[(\text{Reference Price of the Converted Basket Component Reference Underlyings} - \text{Conversion Costs}) \times \text{Number of Converted Basket Component Reference Underlyings}] + [\text{Reference Price of the Unconverted Basket Component Reference Underlyings} \times \text{Number of Unconverted Basket Component Reference Underlyings}]$$

- (c) **Outperformance Securities – Single Reference Underlying:** if “Outperformance Securities” is specified as the “Final Redemption Amount/Method of calculation” in the Final Terms and the Securities are not linked to a Basket, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Reference Underlyings}] + \text{sum of Daily Outperformance for the period from (and including) the Trade Date to (and including) the Valuation Date}$$

Where:

“**Daily Outperformance**” means, on any day, an amount determined by the Calculation Agent in accordance with the following formula:  $(\text{Number of Reference Underlyings} \times \text{Closing Price}) \times \text{Outperformance Factor} / 365$

- (d) **Outperformance Securities – Basket:** if “Outperformance Securities” is specified as the “Final Redemption Amount/Method of calculation” in the Final Terms and the Securities are linked to a Basket, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as being equal to the sum of the Basket Component Price for each Basket Component in the Basket, where for this purpose the “Basket Component Price” for each such Basket Component is determined by the Calculation Agent in accordance with the following formula:

$$[(\text{Final Closing Price} - \text{Initial Closing Price}) \times \text{Number of Basket Component Reference Underlyings}] + \text{sum of Daily Outperformance for the period from (and including) the Trade Date to (and including) the Valuation Date}$$

Where:

“**Daily Outperformance**” means, on any day, an amount determined by the Calculation Agent in accordance with the following formula:

$$[(\text{Number of Basket Component Reference Underlyings} \times \text{Closing Price}) \times \text{Outperformance Factor}] / 365$$

- (e) such other amount as specified in the applicable Final Terms.

The Final Redemption Amount shall be subject to a minimum of zero.

“**GDRs**” means (a) in respect of Securities not linked to a Basket, the global depository receipts specified in the Final Terms and (b) in respect of Securities linked to a Basket and in respect of each Basket Component, the global depository receipts specified in the Final Terms in respect of such Basket Component.

**“Initial Closing Price”** means the Closing Price as determined by the Calculation Agent on the Trade Date.

**“Market Disruption Event”** means, in respect of a Reference Underlying, any of the following:

- (a) the occurrence or existence on any Scheduled Trading Day of any suspension of or limitation imposed on trading (i) by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, or (ii) in futures or options contracts relating to such Reference Underlying, which, in either case, the Calculation Agent determines is material;
- (b) the occurrence or existence on any Scheduled Trading Day of any event (other than an event described in sub-paragraph (c) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, a Reference Underlying on the relevant Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options relating to such Reference Underlying on any relevant Related Exchange, which, in either case, the Calculation Agent determines is material;
- (c) the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (d) the inability of the Issuer or any of its Affiliates to unwind its hedge or related trading position relating to the Securities, due to illiquidity, which the Calculation Agent determines is material.

**“Number of Basket Component Reference Underlyings”** means, in respect of a Basket Component and each Security, subject to Condition 5(f), Condition 5(g) and this Schedule, the number of Basket Component Reference Underlyings specified in the applicable Final Terms.

**“Number of Reference Underlyings”** means, in respect of each Security, subject to Condition 5(f), Condition 5(g) and this Schedule, the number of Reference Underlyings specified in the applicable Final Terms.

**“Outperformance Factor”** means the percentage specified as such in the applicable Final Terms.

**“Reference Entity”** means:

- (a) in respect of Securities not linked to a Basket, the reference entity to which the Reference Underlying relates as specified in the applicable Final Terms; and
- (b) in respect of Securities linked to a Basket and in respect of each Basket Component, the reference entity to which such Basket Component relates as specified in the applicable Final Terms.

**“Reference Price”** means:

- (a) if “Reference Price – Execution Price” is specified as applicable in the Final Terms, in relation to a Valuation Period and a Reference Underlying, subject to this Schedule and at the

option of the Calculation Agent, the Calculation Agent's good faith determination of the volume weighted average price of one Reference Underlying (net of Costs (as defined in Condition 6)) which the relevant Hedge Provider obtains (or which could have been obtained if it held the relevant Reference Underlyings (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge), on a best efforts basis, in selling or otherwise realising such Reference Underlying (or assets constituted thereby) or unwinding any relevant Hedging Arrangements (which will include any compensation or payment received by the Hedge Provider (or which would be so received by the Hedge Provider if it held the relevant Reference Underlyings (or assets constituted thereby) or pursuant to any Hedging Arrangement on a theoretical hedge) for or in lieu of such Reference Underlying or for unwinding any relevant Hedging Arrangements) held directly or indirectly by the Hedge Provider to hedge the Issuer's obligations in respect of the Securities during the relevant Valuation Period converted into the Specified Currency by the Calculation Agent using the Exchange Rate prevailing with respect to the settlement date(s) of such Reference Underlying or Hedging Arrangements sold, unwound or otherwise realised by the Hedge Provider on a theoretical hedge or such other factors as the Calculation Agent shall determine;

- (b) if "Reference Price – VWAP" is specified as applicable in the Final Terms, in relation to a Valuation Period and a Reference Underlying, the Calculation Agent's good faith determination of the average of the volume weighted average prices of one Reference Underlying as reported by the relevant Exchange on each Scheduled Trading Day during the Valuation Period, converted into the Specified Currency by the Calculation Agent using the prevailing Exchange Rate at such time as determined by the Calculation Agent; or
- (c) if "Reference Price – Closing Price" is specified as applicable in the Final Terms, in relation to a Valuation Period and a Reference Underlying, the Calculation Agent's good faith determination of the arithmetic mean of the price of one Reference Underlying quoted on the relevant Exchange as at the Valuation Time on each Scheduled Trading Day during the Valuation Period, converted into the Specified Currency by the Calculation Agent using the prevailing Exchange Rate at such time as determined by the Calculation Agent.

If in the applicable Final Terms none of "Reference Price – Execution Price", "Reference Price – VWAP" or "Reference Price – Closing Price" is specified to be applicable, then it shall be deemed that "Reference Price – Execution Price" will apply.

**"Reference Underlying"** means:

- (a) in respect of Securities not linked to a Basket, the share, warrant, convertible bond or exchange-traded fund unit that is specified in the applicable Final Terms; or
- (b) in respect of Securities linked to a Basket, each Basket Component Reference Underlying.

**"Reference Underlying Jurisdiction"** means:

- (a) in respect of Securities not linked to a Basket, the jurisdiction(s) to which the Reference Underlying relates as specified in the applicable Final Terms, provided that if none is specified, the Reference Underlying Jurisdiction is the jurisdiction in which the Reference Entity is incorporated and the jurisdiction of which any Intermediate Currency is the lawful currency; and
- (b) in respect of Securities linked to a Basket and in respect of each Basket Component, the jurisdiction(s) specified in the applicable Final Terms for such Basket Component, provided



that if none is specified, the Reference Underlying Jurisdiction for such Basket Components is the jurisdiction in which the relevant Reference Entity is incorporated and the jurisdiction of which any relevant Intermediate Currency is the lawful currency.

**“Related Exchange(s)”** means, in respect of a Reference Underlying, the exchange(s) or quotation system(s), if any, as specified in the applicable Final Terms, or such other options or futures exchange(s) or quotation system(s) as the Calculation Agent may, in its absolute discretion, select and notify to Securityholders in accordance with Condition 10 or, in any such case, any transferee or successor exchange or quotation system, provided however, that where “All Exchanges” is specified as the related exchange in the applicable Final Terms, **“Related Exchange”** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Reference Underlying.

**“Scheduled Closing Time”** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

**“Scheduled Trading Day”** means, in respect of a Reference Underlying, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**“Unconverted Basket Component Reference Underlying”** means, in respect of any Basket Component Reference Underlying that may be subject to a conversion, any Basket Component Reference Underlying that has not been converted.

**“Unconverted Reference Underlying”** means, in respect of any Reference Underlying that may be subject to a conversion, any Reference Underlying that has not been converted.

**“Valuation Period”** means the period comprising the five consecutive Business Days in the Determination City starting on (and including) the Valuation Date or as specified in the applicable Final Terms.

**“Valuation Time”** means the Scheduled Closing Time on the relevant Exchange in relation to such Reference Underlying or such other time as the Calculation Agent may determine in its absolute discretion and notify to Securityholders in accordance with Condition 10. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation time shall be such actual closing time.

## **2. PARTIAL EARLY REDEMPTION OF SECURITIES LINKED TO A BASKET**

In respect of Securities linked to a Basket only, if an Early Redemption Event has occurred and the Calculation Agent determines in its absolute discretion that not all Basket Components are affected by such Early Redemption Event, the Issuer may elect to partially redeem the Securities in accordance with this paragraph notwithstanding any other provisions in the Conditions to the contrary.

If the Issuer elects to redeem the Securities in part, on the Early Redemption Date the Issuer shall, in respect of Securities that are issued with a nominal amount, redeem a nominal amount of each Security equal to the proportion of the total nominal amount of such Security which is the proportion of the Affected Basket Component(s) to the aggregate of all Basket Components (as determined by the Issuer in its sole discretion) at an amount equal to the Early Redemption Amount,

which would be determined in accordance with the terms of the Securities if the Basket in respect of each Security comprised solely the Reference Underlyings in the Affected Basket Component.

Following such partial redemption, the Calculation Agent shall make any adjustment to the terms and conditions of the Securities as the Calculation Agent determines in its discretion appropriate to account for such partial redemption.

For the purpose of this paragraph 2, “**Affected Basket Component(s)**” means the Basket Component(s) which comprise(s) the relevant Basket Component Reference Underlying(s) affected by the relevant Early Redemption Event as determined by the Calculation Agent.

Notice of such partial redemption shall be given to the Securityholders in accordance with Condition 10. For the avoidance of doubt, the Early Redemption Event does not have to be continuing on the Early Redemption Date.

### **3. POTENTIAL ADJUSTMENT EVENT**

Following the declaration by a Reference Entity of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Underlyings and, if so, will take any one or more of the following actions:

- (a) calculate and make the corresponding adjustment, if any, to be made to the Number of Reference Underlyings, Number of Basket Component Reference Underlyings and/or any of the other terms of these Terms and Conditions as the Calculation Agent acting in good faith determines appropriate to account for that diluting or concentrative effect; and/or
- (b) distribute further Securities to Securityholders on a *pro rata* basis provided that such further Securities may be either (i) Securities of the same Series or of a different Series held by the Issuer or an Affiliate, (ii) further Securities of the same Series issued in accordance with Condition 12 or (iii) Securities of a different Series issued by the Issuer, as determined by the Calculation Agent; and/or
- (c) determine in its absolute discretion the cash value per Security in the Specified Currency of such Potential Adjustment Event (taking into consideration any adjustment or distribution to be made in accordance with paragraphs (a) and/or (b) above and including, without limitation, a cash amount payable to reflect the rounding of amounts in connection with the distribution of Securities in paragraph (b) above) (the “**Potential Adjustment Event Distribution Amount**”) and will pay in respect of each Security an amount equal to such Potential Adjustment Event Distribution Amount as a Distribution Payment Amount,

and in each case, determine the effective date of that adjustment.

The Calculation Agent may (but need not) in its absolute discretion determine the appropriate adjustments by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any relevant Related Exchange to listed contracts on such Reference Underlyings traded on such Related Exchange. For the avoidance of doubt, in respect of a Potential Adjustment Event the Calculation Agent may make any one or any combination of more than one adjustment(s), distribution(s) and/or payment(s) in accordance with paragraphs (a), (b) and/or (c) above as it determines to be appropriate in its absolute discretion in respect of such Potential Adjustment Event, provided that such adjustment(s), distribution(s) and/or payment(s) (as applicable) shall represent the entirety of the consequences of such Potential Adjustment Event and no such further payments or distributions shall be made in respect of such Potential Adjustment Event whether on the Maturity Date or otherwise.

Any adjustment to the terms of the Security following a Potential Adjustment Event shall take into account the economic cost of any taxes, duties, levies, fees or registrations payable by or on behalf of holders of the relevant Reference Underlyings charged on subscription, acquisition or receipt of such Reference Underlyings or Further Reference Underlyings received as a result of the Potential Adjustment Event, such calculations to be determined and carried out by the Calculation Agent.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Securityholders in accordance with Condition 10, stating the adjustment to the Reference Underlyings and/or the Securities and/or any of the other terms of these Terms and Conditions and giving brief details of the Potential Adjustment Event.

For the purposes of this Schedule, “**Potential Adjustment Event**” means, in relation to any Reference Underlyings and the related Reference Entity, any of the following:

- (i) a subdivision, consolidation or reclassification of such Reference Underlyings (unless a Merger Event) or a free distribution or dividend of any such Reference Underlyings to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of such Reference Underlyings of (A) Reference Underlyings; (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Reference Entity equally or proportionately with such payments to holders of such Reference Underlyings; (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by such Reference Entity as a result of a spin-off or other similar transaction; or (D) 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 Calculation Agent (together with any Reference Underlyings received under sub-paragraph (i) of this definition, the “**Further Reference Underlyings**”);
- (iii) an extraordinary dividend;
- (iv) a call in respect of such Reference Underlyings that are not fully paid;
- (v) a repurchase or redemption by the relevant Reference Entity of such Reference Underlyings whether out of profits or capital and whether the consideration for such repurchase or redemption is cash, securities or otherwise;
- (vi) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the relevant Reference Entity 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, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may, in the opinion of the Calculation Agent, have a diluting or concentrative effect on the theoretical value of such Reference Underlyings.

#### 4. **EXTRAORDINARY EVENTS**

If a Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting or Additional Disruption Event (each, an “**Extraordinary Event**”) occurs in relation to any Reference Underlyings or Reference Entity, as the case may be, the Calculation Agent acting in good faith may take the action described in (a) or (b) below:

- (a) determine in good faith the appropriate adjustment, if any, to be made to the Number of Reference Underlyings, the Number of Basket Component Reference Underlyings and/or any of the other terms of these Terms and Conditions to account for the Extraordinary Event, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to (i) the adjustment in respect of the Extraordinary Event made by the exchange(s) or quotation system(s) as the Calculation Agent acting in good faith shall select (the “**Options Exchange**”) to options on such Reference Underlyings traded on that options exchange; or (ii) if options on such Reference Underlyings are not traded on the Options Exchange, the rules and precedents (if any) set by the Options Exchange to account for the Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (b) if the Calculation Agent determines that no adjustment that it could make under (a) will produce a commercially reasonable result, notify the Securityholders in accordance with Condition 10 that the relevant consequence shall be the redemption of the Securities in which case the Issuer shall redeem the Securities in whole or in part on the Early Redemption Date at their Early Redemption Amount.

Upon the occurrence of an Extraordinary Event, the Calculation Agent shall give notice as soon as reasonably practicable to the Securityholders in accordance with Condition 10 stating the occurrence of such Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto. However, Securityholders should be aware that there may be necessarily some delay between the time at which any one of the above events occurs and the time at which it is reported to Securityholders.

For the purposes of this Schedule:

“**Additional Disruption Event**” means a Change of Law, a GDR Termination Event, an Increased Cost of Hedging or an Insolvency Filing, as specified to be applicable in the Final Terms;

“**Change of Law**” means that, on or after the Issue Date of the relevant Securities (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 authority), the Calculation Agent determines that (i) it has become illegal for the Issuer or a Hedge Provider to hold, acquire or dispose of any Reference Underlyings or hedge position relating to such Securities, or (ii) it will incur a materially increased cost in performing its obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

“**Delisting**” means the relevant Exchange announces that pursuant to the rules of such Exchange, the Reference Underlyings cease (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange (or, where such Exchange is within the European Union, in any member state of the European Union) and such Reference Underlyings are no longer listed on an Exchange acceptable to the Issuer;

“**GDR Termination Event**” means (a) in the case of Securities not linked to a Basket and in the case of the Reference Underlyings comprising GDRs, the termination of the GDR programme of the Reference Entity and the liquidation of the GDRs prior to the Maturity Date of the Securities

without the GDRs being converted into related shares of the Reference Entity, as determined by the Calculation Agent or (b) in the case of Securities linked to a Basket and in the case of Basket Component Reference Underlyings comprising GDRs, the termination of the relevant GDR programme of the relevant Reference Entity and the liquidation of the relevant GDRs prior to the Maturity Date of the Securities without the relevant GDRs being converted into related shares of the Reference Entity, as determined by the Calculation Agent;

“**Increased Cost of Hedging**” means that, in respect of the relevant Securities, any Hedge Provider would incur a materially increased (as compared with circumstances existing on the Trade Date of such Securities) amount of tax, duty expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to such Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedge Provider shall not be deemed an Increased Cost of Hedging;

“**Insolvency**” means that at any time, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or any analogous proceedings affecting any Reference Entity (a) all the Reference Underlyings of such Reference Entity are required to be transferred to a trustee, liquidator or other similar official or (b) holders of such Reference Underlyings become legally prohibited from transferring them;

“**Insolvency Filing**” means, in respect of a Reference Underlying, that the Calculation Agent determines that the relevant Reference Entity has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Reference Entity shall not be an Insolvency Filing;

“**Merger Date**” means, in respect of a Merger Event of a Reference Entity, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

“**Merger Event**” means, in relation to a Reference Underlying, any (a) reclassification or change of such Reference Underlying that results in a transfer of or an irrevocable commitment to transfer all such outstanding Reference Underlyings, to another entity or person; (b) consolidation, amalgamation, merger or binding share exchange of the relevant Reference Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Entity is the continuing entity and which does not result in any such reclassification or change of all such outstanding Reference Underlyings); (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Reference Underlyings of the relevant Reference Entity that results in a transfer of or an irrevocable commitment to transfer all such Reference Underlyings (other than such Reference Underlyings owned or controlled by such other entity or person); or (d) consolidation, amalgamation, merger or binding share exchange of the

relevant Reference Entity or its subsidiaries with or into another entity in which such Reference Entity is the continuing entity and which does not result in a reclassification or change of all such Reference Underlyings outstanding but results in the outstanding Reference Underlyings (other than Reference Underlyings owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Reference Underlyings immediately following such event, in each case if the Merger Date is on or before the Valuation Date;

“**Nationalisation**” means, in respect of a Reference Underlying, that all of such Reference Underlyings or all the assets or substantially all the assets of the relevant Reference Entity are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof; and

“**Tender Offer**” means, in respect of a Reference Underlying, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Reference Entity, 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 in its determination relevant.

## **5. CONSEQUENTIAL ADJUSTMENTS FOLLOWING A MATERIAL CHANGE**

On or prior to the Maturity Date, if in the opinion of the Calculation Agent, the relevant Reference Entity makes a material change (a “**Material Change**”) to the terms of a Reference Underlying, then the Issuer may require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any of the Reference Price, the Number of Reference Underlyings, the Number of Basket Component Reference Underlyings and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such change and determine the effective date of that adjustment. Upon making any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Securityholders in accordance with Condition 10, stating the adjustment to the Reference Price, the Number of Reference Underlyings, the Number of Basket Component Reference Underlyings and/or the terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the event.

## SCHEDULE 2

### PROVISIONS RELATING TO INDEX LINKED SECURITIES

This Schedule shall apply to each Reference Underlying specified as “Index” under “Type of Reference Underlying” in the applicable Final Terms.

For the avoidance of doubt, defined terms used in this Schedule shall only apply in respect of Index Linked Securities.

#### 1. DEFINITIONS

“**Disrupted Day**” means, in respect of any Reference Underlying, any Scheduled Trading Day on which (a) the Sponsor fails to publish the level of the Reference Underlying or the Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

“**Early Redemption Amount**” means, subject to Condition 5(f), Condition 5(g), Condition 6 and this Schedule, in respect of a redemption pursuant to Condition 5(c), Condition 5(d) or Condition 5(e) only, in respect of each Security:

- (a) **Participation Securities:** if “Participation Securities” is specified as applicable in the Final Terms, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

Reference Level x Index Currency Amount

- (b) **Outperformance Securities:** if “Outperformance Securities” is specified as applicable in the Final Terms, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent in accordance with the following formula:

(Reference Level x Index Currency Amount + [Reference Level x Index Currency Amount x Outperformance Factor x (D/365)]) x ([100 – Break Fee Percentage]/100)

- (c) such other amount as specified in the applicable Final Terms.

The Early Redemption Amount shall be subject to a minimum of zero.

For the purpose of this definition,

“**Break Fee Percentage**” means the percentage specified as such in the applicable Final Terms;

“**D**” means the number of calendar days from (and including) the Issue Date to (and excluding) the Early Redemption Date; and

“**Outperformance Factor**” means the percentage specified as such in the applicable Final Terms, provided that if D is 30 or less, the Outperformance Factor shall be zero.

“**Exchange**” means, in respect of any securities comprised in any Reference Underlying, the stock exchange(s) or quotation system(s) (from time to time) on which, in the determination of the Sponsor for the purposes of that Reference Underlying, such securities are listed.

“**Exchange Business Day**” means, in respect of the Reference Underlying, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Final Redemption Amount**” means, subject to Condition 5(f), Condition 5(g), Condition 6 and this Schedule, in respect of a redemption pursuant to Condition 5(b) only, in respect of each Security:

- (a) **Participation Securities:** if “Participation Securities” is specified as applicable in the Final Terms, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as follows:

Reference Level x Index Currency Amount

- (b) **Outperformance Securities:** if “Outperformance Securities” is specified as applicable in the Final Terms, an amount in the Specified Currency (rounded down to the nearest Unit) determined by the Calculation Agent as follows:

Reference Level x Index Currency Amount + [Reference Level x Index Currency Amount x Outperformance Factor x (C/365)]

Where:

“C” means the number of calendar days from (and including) the Issue Date to (and excluding) the Maturity Date; and

“**Outperformance Factor**” means the percentage specified as such in the applicable Final Terms; or

- (c) such other amount as specified in the applicable Final Terms.

The Final Redemption Amount shall be subject to a minimum of zero.

“**Index Currency Amount**” has the meaning given to it in the applicable Final Terms.

“**Market Disruption Event**” means, in respect of any Reference Underlying, any of the following:

- (a) the occurrence or existence on any Scheduled Trading Day of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any security comprised in the Reference Underlying or (in the case of any other Reference Underlying) securities that comprise 20 per cent. or more of the level of the Reference Underlying, or (ii) in futures or options contracts relating to the relevant Reference Underlying on any relevant Related Exchange, which, in either case, the Calculation Agent determines is material;
- (b) the occurrence or existence on any Scheduled Trading Day of any event (other than an event described in sub-paragraph (c) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (in the case of a Multi-Exchange Index) any security comprised in the Reference Underlying on any relevant Exchange or (in the case of any other Reference Underlying) securities that comprise 20 per cent. or more of the level of the Reference Underlying on any relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options relating to the relevant Reference Underlying on any relevant Related Exchange, which, in either case, the Calculation Agent determines is material;
- (c) the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual



closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

- (d) the inability of the Issuer or any of its Affiliates to unwind its hedge or related trading position relating to the Securities, due to illiquidity, which the Calculation Agent determines is material,

provided that, in the case of a Multi-Exchange Index, the securities comprised in the Reference Underlying in respect of which any of the events above occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Reference Underlying. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Reference Underlying, then the relevant percentage contribution of that security to the level of the relevant Reference Underlying shall be based on a comparison of (A) the portion of the level of the relevant Reference Underlying attributable to that security and (B) the overall level of the relevant Reference Underlying, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

“**Multi-Exchange Index**” means any Reference Underlying in respect of which there is more than one Exchange.

“**Reference Level**” means, in relation to a Valuation Period and the Reference Underlying, subject to this Schedule and at the option of the Calculation Agent, the Calculation Agent’s good faith determination of the arithmetic mean of the closing levels of the Reference Underlying (net of Costs (as defined in Condition 6)) which the relevant Hedge Provider obtains (or which could have been obtained by the Hedge Provider if it held the assets constituting the Reference Underlying or pursuant to any Hedging Arrangement on a theoretical hedge), on a best efforts basis, in selling or otherwise realising the assets constituting the Reference Underlying or unwinding any relevant Hedging Arrangements (which will include any compensation or payment received by the Hedge Provider (or which would be so received by the Hedge Provider if it held the assets constituting the Reference Underlying or pursuant to any Hedging Arrangement on a theoretical hedge) for or in lieu of the Reference Underlying or for unwinding any relevant Hedging Arrangements) held directly or indirectly by the Hedge Provider to hedge the Issuer’s obligations in respect of the Securities during the Valuation Period or such other factors as the Calculation Agent shall determine.

“**Reference Underlying**” means the index as specified in the applicable Final Terms.

“**Reference Underlying Jurisdiction**” means, in respect of any Reference Underlying, the country to which such Reference Underlying relates, as specified in the applicable Final Terms.

“**Related Exchange**” means, in respect of the Reference Underlying, the related exchange(s) or quotation system(s), if any, specified in the applicable Final Terms, or other options or futures exchange(s) or quotation system(s) as the Calculation Agent may, in its absolute discretion, select and notify the Securityholders in accordance with Condition 10 or, in any such case, any transferee or successor exchange or quotation system, provided, however, that where “All Exchanges” is specified as the related exchange in the applicable Final Terms, “**Related Exchange**” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Reference Underlying.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

“**Scheduled Trading Day**” means, in respect of any Reference Underlying other than a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions and, in the case of a Multi-Exchange Index, any day on which the Sponsor publishes the level of the Reference Underlying and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

“**Sponsor**” means, in relation to any Reference Underlying, the corporation or other entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Reference Underlying, and (b) announces (directly or through an agent) the level of such Reference Underlying on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Reference Underlying or any agent or person acting on behalf of such person.

“**Valuation Period**” means the period comprising the five consecutive Business Days in the Determination City starting on (and including) the Valuation Date or as specified in the applicable Final Terms.

“**Valuation Time**” means the time with reference to which the Sponsor calculates the closing level of such Reference Underlying or, in either such case, such other time as the Calculation Agent may determine in its absolute discretion and notify to Securityholders in accordance with Condition 10.

## 2. INDEX ADJUSTMENT EVENT

- (a) If any Reference Underlying is (i) not calculated and announced by its Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, 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 Reference Underlying, then in each case that index (the “**Successor Reference Underlying**”) shall be deemed to be the Reference Underlying.
- (b) If in the determination of the Calculation Agent (i) on or before the Maturity Date or the Early Redemption Date (as the case may be) the Sponsor announces that it will make a material change in the formula for or the method of calculating any Reference Underlying or in any other way materially modifies any Reference Underlying (other than a modification prescribed in that formula or method to maintain any Reference Underlying in the event of changes in constituent securities and capitalisation and other routine events) (an “**Index Modification**”) or permanently cancels the Reference Underlying and no Successor Reference Underlying exists (an “**Index Cancellation**”) or (ii) on any date during the Valuation Period the Sponsor fails to calculate and announce the Reference Level, (an “**Index Disruption**”) and together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”) then the Calculation Agent acting in good faith may take the action described in (A) or (B) below:
  - (A) determine the appropriate adjustment, if any, to be made to any of the other terms of these Terms and Conditions to account for the Index Adjustment Event, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to (1) the adjustment in respect of the Index Adjustment Event made by the exchange(s) or quotation system(s) as the Calculation Agent acting in

good faith shall select (the “**Options Exchange**”) to options on the Reference Underlyings traded on that options exchange; or (2) if options on such Reference Underlyings are not traded on the Options Exchange, the rules and precedents (if any) set by the Options Exchange to account for the Index Adjustment Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (B) having given an Early Redemption Notice to the Securityholders, redeem all, but not part only, of the Securities on the Early Redemption Date at their Early Redemption Amount, together with any Interest Amount and/or Premium Amount (if applicable) accrued to (but excluding) the Early Redemption Date.

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice as soon as reasonably practicable to the Securityholders in accordance with Condition 10 stating the occurrence of such Index Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto. However, Securityholders should be aware that there may be necessarily some delay between the time at which any one of the above events occurs and the time at which it is reported to Securityholders.

### **3. RESPONSIBILITY**

None of the Issuer, the Agents or the Calculation Agent shall have any responsibility in respect of any error or omission or subsequent corrections made in the calculation or announcement of any Reference Underlying, whether caused by negligence or otherwise.

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

*The following is a summary of the provisions contained in the Global Security which apply while any Securities are represented by a Global Security:*

### **Form**

The Securities (other than Rule 144A Securities) will be represented by the Regulation S Global Security. The Regulation S Global Security will be registered in the name of a nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg and Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Rule 144A Securities will be represented by the Rule 144A Global Security. The Rule 144A Global Security will be deposited either with a custodian for, and registered in the name of, Cede & Co. as a nominee for DTC or with a Common Depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such Common Depositary. DTC, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

### **Exchange**

The Global Security may be exchangeable in whole but not in part (free of charge to the holder) for definitive Securities if both Euroclear and Clearstream, Luxembourg or DTC, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available. Thereupon, Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, acting on the instructions of any holder, may give notice to the Registrar requesting exchange of the Global Security for definitive Securities.

On an exchange, the Global Security shall be surrendered to the Registrar. In exchange for the Global Security, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated definitive Securities in an amount equal to the Aggregate Nominal Amount or Aggregate Issue Size of Securities, as the case may be. Until the exchange of the whole of the Global Security as aforesaid, the registered holder shall in all respects (except as otherwise provided herein and in the Conditions) be entitled to the same benefits as if he were the registered holder of the definitive securities represented thereby.

### **Transfers**

Interests in the Securities are transferable in accordance with, and subject to, the provisions of the Global Security, Condition 1 and the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or DTC as appropriate.

### **Notices**

So long as the Global Security is held on behalf of Euroclear or Clearstream, Luxembourg, notices required to be given to Securityholders may be given by delivery of the notice to Euroclear and/or Clearstream, Luxembourg, as the case may be, for communication to Securityholders. Any such notice shall be deemed to have been given to the Securityholders on the second weekday following such delivery. In addition, (a) for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Luxembourg Stock Exchange; and (b) for so long as the Securities are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so

require, such notice will be published in a daily newspaper of general circulation in the place or places required by the Irish Stock Exchange.

### **Accountholders**

For so long as any of the Securities is represented by a Global Security, each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, as the holder of a particular nominal amount or number of the Securities (each, an “**Accountholder**”) shall be treated by the Issuer as the holder of that nominal amount or number of Securities for all purposes other than with respect to payments in respect of the Securities, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Security in accordance with and subject to its terms. Any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC, as the case may be, as to the nominal amount or number of the Securities standing to the account of any Accountholder shall be conclusive and binding for all purposes.

### **Payments**

For so long as any of the Securities is represented by a Global Security, notwithstanding Condition 4(b), all payments in respect of each such Security will be made by transfer to the Designated Account of the holder of the Security appearing in the Register at the close of business on the Clearing System Business Day immediately prior to the relevant payment date, where “**Clearing System Business Day**” means a day on which Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, are open for business.

## DESCRIPTION OF CREDIT SUISSE GROUP AG AND CREDIT SUISSE AG

### History and Structure

The history of CSG dates back to the formation of Schweizerische Kreditanstalt, founded in 1856. The first branch opened in Basel in 1905 and the first branch outside Switzerland opened in New York in 1940. In 1978, a cooperation with First Boston, Inc. began and, in 1990, CSG acquired a controlling stake. CSG purchased a controlling stake in Bank Leu in 1990, Schweizerische Volksbank in 1993, Neue Aargauer Bank in 1994 and Winterthur in 1997. In addition, CSG acquired Donaldson, Lufkin & Jenrette Inc. in 2000. In 2006, CSG sold Winterthur, allowing it to focus on its banking operations.

On 13th May 2005, the two Swiss bank legal entities Credit Suisse and Credit Suisse First Boston merged. The merged bank, CS, is a Swiss bank and joint stock corporation established under Swiss law and is a wholly-owned subsidiary of CSG. The structure of CSG and CS is described below under “*Business.*”

### Business

CSG is a global financial services company domiciled in Switzerland. CS is a wholly-owned subsidiary of CSG, and its business is substantially the same as that of CSG.

In November 2012, CSG announced an alignment of its organisation and the integration of its former Private Banking and Asset Management divisions into a single, new Private Banking & Wealth Management division, including the majority of its securities trading and sales business in Switzerland, which was transferred from the Investment Banking division. Substantially all of CSG’s operations are now conducted through the two operating divisions of Private Banking & Wealth Management and Investment Banking. The information in and incorporated by reference into this Base Prospectus reflects that operational and management structure.

All references to CSG in the description of the business set out below are describing the consolidated businesses carried on by CSG and its subsidiaries and therefore should be read as applying equally to CSG and CS, except where specifically stated otherwise. For more information on the differences between CSG and CS, refer to “*II—Operating and Financial review—Credit Suisse—Differences between Group and Bank*” in the Credit Suisse Annual Report 2012.

### ***Private Banking & Wealth Management***

Private Banking & Wealth Management offers comprehensive advice and a wide range of financial solutions to private, corporate and institutional clients. The Private Banking & Wealth Management division comprises the Wealth Management Clients, Corporate & Institutional Clients and Asset Management businesses.

In Wealth Management Clients, CSG serves ultra-high-net-worth and high-net-worth individuals around the globe and private clients in Switzerland. CSG’s Corporate & Institutional Clients business serves the needs of corporations and institutional clients, mainly in Switzerland. Asset Management offers a wide range of investment products and solutions across diverse asset classes and investment styles, serving governments, institutions, corporations and individuals worldwide.

### ***Investment Banking***

Investment Banking provides a broad range of financial products and services, including global securities sales, trading and execution, prime brokerage and capital raising services, corporate advisory and comprehensive investment research, with a focus on businesses that are client-driven, flow-based and capital-efficient. Clients include corporations, governments, institutional investors, including hedge funds, and private individuals around the world. CSG delivers its investment banking capabilities via regional and local teams based in major global financial centers. Strongly anchored in CSG’s integrated model, Investment Banking

works closely with Private Banking & Wealth Management to provide clients with customized financial solutions.

## Management of CSG and CS

### *Board of Directors of CSG and CS*

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
Urs Rohner	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>Full-time Chairman of the Board and of the Chairman's and Governance Committee since the Annual General Meeting 2011. From 2009 until April 2011, he was full-time Vice-Chairman of the Board and a member of the Chairman's and Governance Committee and the Risk Committee. Member of the Executive Boards of CSG and CS from 2004 to 2009, General Counsel of CSG from 2004 to 2009 and Chief Operating Officer and General Counsel of CS from 2006 to 2009. Expiration of Term of Office/Re-election: Annual General Meeting 2015. The Board has determined him to be independent under CSG's independence standards.</p> <p>Urs Rohner is the chairman of the Board of Trustees of the Credit Suisse Foundation and the Credit Suisse Research Institute. He is a board member of the Institute of International Finance and the Institute International d'Etudes Bancaires, a member of the European Financial Services Roundtable and the European Banking Group, the Co-Chair of the International Advisory Board of the Moscow International Finance Center and serves on the International Business Leaders Advisory Council of the Mayor of Beijing. Mr Rohner is also a board member of Avenir Suisse, Economiesuisse and the International Institute for Management Development (IMD) Foundation, the chairman of the Advisory Board of the University of Zurich's Department of Economics and a board member of the Zurich Opera House and the Lucerne Festival.</p>
Peter Brabeck-Letmathe	Nestlé S.A. Avenue Nestlé 55 1800 Vevey Switzerland	<p>Vice-Chairman of the Board since 2008 (a function he held from 2000 to 2005). Member of the Board since 1997. Member of the Chairman's and Governance Committee since 2008 (also from 2003 to 2005), from 2008 to 2011 and from 2000 to 2005 he was a member of the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014.</p>

Name	Business address	Position held
		<p>Chairman of Nestlé S.A., Vevey, since 2005, member of the Board since 1997, Vice-Chairman from 2001 to 2005 and Chief Executive Officer from 1997 to 2008.</p> <p>Mr Brabeck-Letmathe has been Vice-Chairman of the Board of Directors of L'Oréal SA, Paris since 1997, and has been a board member of Exxon Mobil Corporation and Delta Topco (Formula 1), both since 2010, and assumed the role of Chairman of Delta Topco (Formula 1) in 2012. He is also a member of the Foundation Board of the World Economic Forum and a member of the European Round Table of Industrialists.</p>
<p>Jassim Bin Hamad J.J. Al Thani</p>	<p>Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland</p>	<p>Member of the Board since 2010. His term expires at the AGM in 2016. The Board has determined him to be not independent under the CSG's independence standards.</p> <p>Chairman of the Board of Directors of Qatar Islamic Bank (QIB) since April 2005. Chairman of QInvest, Qatar; of QIB(UK); of Damaan Islamic Insurance Co (BEEMA); and of Q-RE LLC, an insurance and reinsurance company. CEO of Al Mirqab Capial LLC, Qatar, a family enterprise, Member of the Board of Directors of Qatar Navigation Company, Qatar Insurance Company and Arcapita Bank, Bahrain.</p>
<p>Iris Bohnet</p>	<p>Harvard Kennedy School Harvard University Cambridge, Massachusetts USA</p>	<p>Member of the Board since the AGM 2012 and thereafter appointed to the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.</p> <p>Professor of Public Policy at the Harvard Kennedy School, Cambridge, Massachusetts, since 2006, and Academic Dean of the Harvard Kennedy School since 2011. Ms. Bohnet also serves as the Director of the Women and Public Policy Program at the Harvard Kennedy School.</p> <p>Ms. Bohnet is currently a member of the Advisory Board of the Vienna University of Economics and Business Administration, the Global Agenda Council on Women's Empowerment of the World Economic Forum and the World Knowledge Dialogue, Villars-sur-Ollon. She chairs the Kennedy School's executive program for the World Economic Forum's Young Global Leaders.</p>



<b>Name</b>	<b>Business address</b>	<b>Position held</b>
Noreen Doyle	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>Member of the Board since 2004. Member of the Risk Committee since 2009. Since 2012, Ms. Doyle also serves as a non-executive director on, and as of 2013 chairs, the boards of Credit Suisse International and Credit Suisse Securities Europe Limited, two of the Group's UK subsidiaries. She served on the Audit Committee (2007 to 2008) and the Risk Committee (2004 to 2007). Expiration of Term of Office/Re-election: Annual General Meeting 2016.</p> <p>First Vice-President and Head of Banking of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005. Other board memberships include Newmont Mining Corporation and QinetiQ Group plc. Further, she is a member of the Advisory Board of the Macquarie European Infrastructure Fund and the Macquarie Renaissance Infrastructure Fund. Ms. Doyle was a member of the board of Rexam Plc, a global consumer packaging company (2005 to 2012). Ms Doyle has chaired the Board of Governors of the Marymount International School, London since 2010, and is also a patron of the Women in Banking and Finance in London.</p>
Jean-Daniel Gerber	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>Member of the Board since the AGM 2012 and thereafter appointed to the Audit Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.</p> <p>Jean-Daniel Gerber was State Secretary and Head of the Swiss State Secretariat for Economic Affairs between 2004 and 2011. From 1994 until 2004 he served as Director of the Swiss Federal Office of Migration and from 1993 to 1997, he served as Executive Director at the World Bank Group in Washington D.C.</p> <p>He is a Member of the Board of Directors of the Lonza Group AG as well as Chairman of the Board of the Swiss Investment Fund for Emerging Markets (SIFEM). Mr Gerber is also a member of the Swiss Society for Public Good.</p>
Walter B. Kielholz	Swiss Reinsurance Company AG Mythenquai 50/60 8022 Zurich Switzerland	Member of the Board since 1999, a member of the Compensation Committee since 2009 and a member of the Chairman's and Governance Committee since 2011. He served as Chairman of the Board of

Name	Business address	Position held
Andreas N. Koopmann	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p data-bbox="922 293 1410 483">Directors and the Chairman's and Governance Committee of CSG from 2003 to April 2009. Expiration of Term of Office: Annual General Meeting 2014, at which time he will retire, having served on the Board of Directors for 15 years.</p> <p data-bbox="922 501 1410 1238">Chief Executive Officer of Swiss Re from 1997 until 2002, member of the Board since 1998, Executive Vice-Chairman since 2003, Vice-Chairman since 2007 and Chairman of the Board since May 2009. Mr Kielholz is a member and Chairman and Vice Chairman of the European Financial Services Roundtable and Vice Chairman of the Institute of International Finance, respectively. He is also a member of the Advisory Board of Corsair Capital Ltd., a member of the Monetary Authority of Singapore and the International Business Leader Advisory Council of the Mayor of Shanghai and the World Economic Forum International Business Council. In addition, Mr. Kielholz is a member and former Chairman of the Supervisory Board of Avenir Suisse and a senior adviser to the Credit Suisse Research Institute. He is a member of the Lucerne Festival Foundation Board and Chairman of the Zürcher Kunstgesellschaft (Zurich Art Society), which runs Zurich's Kunsthaus museum.</p> <p data-bbox="922 1261 1410 1451">Member of the Board and member of the Risk Committee (since 2009). Since the AGM 2013, he has also been a member of the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.</p> <p data-bbox="922 1469 1410 2016">Former CEO of Bobst Group S.A., Lausanne from 1995 to May 2009 and member of the Board from 1998 to 2002. Mr. Koopmann has been a member of the Board of Directors of Georg Fischer AG since 2010 and assumed the role of President of the Board of Directors in March 2012. He is also a member of the Board of Directors of the CSD Group, an engineering consultancy enterprise in Switzerland. Since 2003, Mr. Koopmann has been a member of the Board of Directors of Nestlé S.A., its Vice-Chairman and a member of its Chairman's and Corporate Governance Committee. He was the Chairman of the Board of Directors of Alstom (Suisse) S.A. (2010 to 2012) and served as the Vice-Chairman of Swissmem</p>

Name	Business address	Position held
Jean Lanier	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>(1994 to 2012), the association of Swiss Mechanical and Electrical Engineering Industries. He served as a member of Credit Suisse's Advisory Board (1999 to 2007) and the Board of Directors of Credit Suisse First Boston (1995 to 1999).</p> <p>Member of the Board and the Audit Committee since 2005. Chairman of the Compensation Committee since the AGM 2013 (member since 2011) and a member of the Chairman's and Governance Committee since the AGM 2013. Expiration of Term of Office/Re-election: Annual General Meeting 2014.</p> <p>Former Chairman of the Managing Board and Group Chief Executive Officer of Euler Hermes, Paris from 1998 to 2004. He is Chairman of the Boards of Directors for Swiss Re Europe SA, Swiss Re International SE and Swiss RE Europe Holdings SA and also serves on their respective audit and risk committees. He is a Chevalier de la Légion d'Honneur in France and Chairman of the Board of the foundation "La Fondation Internationale de l'Arche".</p>
Kai S. Nargolwala	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>Member of the Board since the AGM 2013 and thereafter appointed to the Risk Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2016.</p> <p>Mr Nargolwala is a member of the Board of Directors (Lead Independent Director) of Singapore Telecommunications Ltd., Singapore's largest publicly listed company; a member of the Board of Directors of Prudential plc, a global financial services company headquartered in the UK; and a member of the Board of Directors of PSA International Pte. Ltd. in Singapore, a company supported by the government of Singapore that provides financing of foreign projects for companies in Singapore. Finally, he is Chairman of the Duke-NUS Graduate Medical School of Singapore. From 2008 to 2010, Mr Nargolwala was a member of the Credit Suisse Executive Board and CEO of the Asia-Pacific region; from 2010 to 2011, he was the Non-Executive Chairman of Credit Suisse's Asia-Pacific region. In line with the Independence standards of the Group, he has been declared non-independent by the Board.</p>

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
Anton van Rossum	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	<p>Member of the Board of Directors since 2005. Member of the Risk Committee since 2008. From 2005 to 2008, he served on the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014.</p> <p>Chief Executive Officer of Fortis from 2000 to 2004. Mr. van Rossum is a member of the Supervisory Board of Munich Re AG and chairs the Supervisory Board of Royal Vopak NV, Rotterdam. In addition, he is a member of the Board of Directors of Solvay SA, Brussels and chairs the Supervisory Board of Erasmus University, Rotterdam. He also chairs the Board of Trustees of the Netherlands Economics Institute and sits on the boards of several cultural, philanthropic and educational institutions. Mr van Rossum was a member of the Supervisory Board of Rodamco Europe NV, Amsterdam, a commercial real estate investment group (2007 to 2011).</p>
Richard E. Thornburgh	Corsair Capital LLC 717 Fifth Avenue New York, NY 10022, USA	<p>Member of the Board since 2006. Chairman of the Risk Committee since April 2009 (member since 2006) and member of the Chairman's and Governance Committee since 2009. Since 2011, he has also been a member of the Audit Committee. As of 2013, Mr Thornburgh also serves as a non-executive director of Credit Suisse International and Credit Suisse Securities Europe Limited, two of the Group's UK subsidiaries. Expiration of Term of Office/Re-election: Annual General Meeting 2015.</p> <p>Vice-Chairman of Corsair Capital, a private equity investment company (since 2006).</p> <p>Member of the Executive Board of Credit Suisse First Boston (from 1997 to 2005). In 2004, he was appointed Executive Vice-Chairman of Credit Suisse First Boston.</p> <p>Member of the Group Executive Board from 1997 to 2005. Chief Risk Officer of Credit Suisse Group AG from 2003 to July 2004.</p> <p>Other board memberships include Reynolds American Inc (and member of the audit committee) and The McGraw-Hill Companies (and member of the audit committee), both since 2011. Member of</p>

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
John Tiner	Resolutions Operations LLP 23 Savile Row London W1S 2ET	<p>the board and lead director of New Star Financial Inc., Boston since 2006. Furthermore, he serves on the Executive Committee of the University of Cincinnati Foundation and the Investment Committee of the University of Cincinnati.</p> <p>Member of the Board and member of the Audit Committee since April 2009. Since the Annual General Meeting in 2011, he has been the Chairman of the Audit Committee and a member of the Chairman's and Governance Committee and the Risk Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2015.</p> <p>Former CEO of Resolution Operations LLP from 2008 to 2013. Former CEO of the UK Financial Services Authority (FSA) from 2003 to 2007. Member of the board of directors of Lucida Plc, UK and Friends Life Group Plc, UK. He is also a member of the Advisory Board of Corsair Capital, a private equity investment company.</p>
Rainer E. Gut	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	<p>Honorary Chairman of the Board of Credit Suisse Group AG since 2000.</p> <p>Chairman of the Board of Credit Suisse Group AG from 1986 to 2000.</p>

The Board consists solely of Directors who have no executive functions within the Group. As of the date of this Base Prospectus, all but two members of the Board were independent.

#### ***Executive Board of CSG and CS***

The Executive Board is responsible for the day-to-day operational management of CS. It develops and implements the strategic business plans for the Group overall as well as for the principal businesses subject to approval by the Board of Directors. It further reviews and coordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions and establishes Group-wide policies.

As of the date of this Base Prospectus, the members of the Executive Board were:

- Brady W. Dougan (Chief Executive Officer)
- Gaël de Boissard
- Romeo Cerutti
- Tobias Guldemann
- David R. Mathers
- Hans-Ulrich Meister
- Robert S. Shafir
- Pamela A. Thomas-Graham

- Eric M. Varvel

The composition of the Executive Board of CSG and CS is identical.

On July 1, 2013, CSG announced that Joachim Oechslin will succeed Tobias Guldemann as Chief Risk Officer of CS and a member of the Executive Board effective as of January 1, 2014.

Information concerning each of the members of the Executive Board is set out below:

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
Brady W. Dougan	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	Chief Executive Officer of CSG and CS since May 2007. Prior to this he was Chief Executive Officer Investment Banking at CS and Chief Executive Officer Credit Suisse Americas region.  Chief Executive Officer of Credit Suisse First Boston from 2004 to 2005. Co-President, Institutional Securities of Credit Suisse First Boston from 2002 to July 2004.  Member of the Board of Directors of Humacyte Inc, a biotechnology company, since 2005. He has also been a member of the Board of Trustees of the University of Chicago since January 2013.
Gaël de Boissard	Credit Suisse AG One Cabot Square London E14 4QJ United Kingdom	Member of the Executive Board since 2003.  G. de Boissard jointly leads the Investment Banking division together with E. Varvel with responsibility for the Fixed Income business. He is also the Chief Executive Officer of the EMEA region. Mr de Boissard was appointed as a member of the Executive Board, effective 1 January 2013. Prior to his appointment to the Executive Board, Mr de Boissard spent four years as the Co-Head of Global Securities.  Mr de Boissard currently chairs the Association of Financial Markets in Europe, an industry organisation that engages with policymakers on financial regulation.  Member of the Executive Board since 2013.
Romeo Cerutti	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	General Counsel and a member of the Executive Board of CSG and CS since April 2009. General Counsel of the Private Banking division from 2006 to 2009. Global Co-Head Compliance Credit Suisse from 2008 to 2009.  Mr Cerutti has represented Credit Suisse on the Board of the Swiss Bankers Association since December 2012.
Tobias Guldemann	Credit Suisse AG Paradeplatz 8	Group Chief Risk Officer since July 2004. Chief Risk Officer of CS since June 2009.

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
	8001 Zurich Switzerland	Member of the Executive Board since 2004.  Member of the International Financial Risk Institute (“ <b>IFRI</b> ”) since 2010 and Member of the IFRI Executive Committee since 2011.
David R. Mathers	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Chief Financial Officer since October 2010 and also responsible for the Group's global IT and global operations function. Prior to this he was Head of Finance and the COO for Investment Banking in New York and London from 2007 to 2010.  Member of the Executive Board since October 2010.  Member of the Council of the British Swiss Chamber of Commerce since 2011.
Hans-Ulrich Meister	Credit Suisse AG Paradeplatz 8 8001 Zurich Switzerland	Mr Meister jointly leads the Private Banking & Wealth Management division together with R. Shafir, with responsibility for the Private Banking business. He is also CEO of the Swiss region. Prior to this he was CEO of Private Banking (2011-2012) and from 2008 onwards the CEO of the Swiss region.  Member of the Executive Board since September 2008.  Member of the Foundation Board of the Swiss Finance Institute since 2008.
Robert S. Shafir	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Mr Shafir jointly leads the Private Banking & Wealth Management division together with Hans-Ulrich Meister, with responsibility for Private Banking & Wealth Management Products. He is also the Chief Executive Officer of the Americas region. Prior to this he was Chief Executive Officer Asset Management from 2008 to 2012.  Member of the Executive Board since 2007.  Member of the Board of Directors of the Cystic Fibrosis Foundation.
Pamela A. Thomas-Graham	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Chief Talent, Branding and Communications Officer at CS and CSG since January 2010.  Member of the Executive Board since January 2010.  Member of the Board of Directors of the Clorox Company and a member of the Board of Governors of the Parsons School

<b>Name</b>	<b>Business address</b>	<b>Position held</b>
Eric M. Varvel	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Mr Varvel jointly leads the Investment Banking division together with Gaël de Boissard, with responsibility for the Equities & Investment Banking business. He is also the Chief Executive Officer of Asia-Pacific region. Prior to this he was CEO of Investment Banking and served as acting CEO from September 2009 until July 2010. From 2008 to 2010, Mr Varvel was CEO Credit Suisse Europe, Middle East and Africa Region.  He is a member of the Board of Directors of the Qatar Exchange.  Member of the Executive Board since February 2008.

There are no conflicts of interest between the private interests or other duties of the Directors and members of the Executive Board listed above and their respective duties to CSG or CS.

#### **Audit Committee**

The Audit Committee of CS and CSG consists of not less than three members, all of whom must be independent pursuant to its charter. The current members are:

- John Tiner (Chairman)
- Jean Lanier
- Richard E. Thornburgh
- Jean-Daniel Gerber

The Audit Committee has its own charter, which has been approved by the Board. In accordance with its charter, the members of the Audit Committee are subject to additional independence requirements, exceeding those that apply to other members of the Board. None of the Audit Committee members may be an affiliated person of the Group or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from the Group other than their regular compensation as members of the Board and its committees. The Audit Committee charter stipulates that all Audit Committee members must be financially literate. In addition, they may not serve on the audit committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on the CS or CSG Audit Committee.

#### **Corporate Governance**

CS and CSG fully adhere to the principles set out in the Swiss Code of Best Practice, including its appendix stipulating recommendations on the process for setting compensation for the Board of Directors (Board) and the Executive Board. CSG and CS also adapt their practices for developments in corporate governance principles and practices in jurisdictions outside Switzerland. Regulators' interest in compensation practices at financial firms in 2011 has resulted in additional requirements governing remuneration practices, policies and disclosures. These changes are reflected in CSG's compensation disclosure.

For further information, refer to "*IV – Corporate Governance – Compensation*" in the Credit Suisse Annual Report 2012.



In connection with CSG’s primary listing on the SIX Swiss Exchange (SIX), it is subject to the SIX Directive on Information Relating to Corporate Governance. CSG’s shares are also listed on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS). As a result, CSG is subject to certain U.S. rules and regulations. Moreover, the Group adheres to the NYSE’s Corporate Governance Listing Standards, with a few exceptions where the rules are not applicable to foreign private issuers.

### **Incorporation, Legislation, Legal Form, Duration, Name, Registered Office, Headquarters**

CSG was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) with unlimited duration under the name “CS Holding” on 3rd March 1982 in Zurich, Switzerland, and is registered with the Commercial Registrar of the Canton of Zurich under the number CH-020.3.906.075-9. As of 6th May 2008, CSG changed its name to “Credit Suisse Group AG”. Its registered and principal executive office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland; its telephone number is +41 44 212 1616.

CS was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) under the name Schweizerische Kreditanstalt, with unlimited duration, on 5th July 1856 in Zurich, Switzerland and is registered with the Commercial Registrar of the Canton of Zurich under the number CH-020.3.923.549-1. As of 9th November 2009, CS changed its name to “Credit Suisse AG”. CS is a wholly-owned subsidiary of CSG. CS’s registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland; its telephone number is +41 44 333 1111.

### **Business Purpose**

Article 2 of CSG’s Articles of Association dated as of 30th April 2013 states:

- “1) The purpose of the Company is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. The Company has the power to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing.
- 2) The Company has the power to acquire, mortgage and sell real estate properties, both in Switzerland and abroad.”

Article 2 of CS’s Articles of Association dated as of 2nd May 2011 states:

- “2.1) The purpose of the Company is to operate as a bank. Its business covers all associated types of banking, finance, consultancy, service and trading activities in Switzerland and abroad.
- 2.2) The Company may form banks, finance companies and any other types of companies. It may also hold interests in and assume the management of such companies. It may also enter into joint ventures with such companies to provide business services to third parties.
- 2.3) The Company may acquire, mortgage and sell real estate in Switzerland and abroad.”

### **Dividends**

The following table outlines the dividends paid by CSG for the years ended 31st December:

<b>Dividend per ordinary share</b>	<b>USD<sup>(1)</sup></b>	<b>CHF</b>
2012 <sup>(2)</sup> .....	0.80 <sup>(3)</sup>	0.75
2011 <sup>(4)</sup> .....	0.78	0.75
2010 <sup>(5)</sup> .....	1.48	1.30
2009.....	1.78	2.00
2008.....	0.10	0.10

- (1) Represents the distribution on each American Depositary Share, rounded to the nearest USD 0.01. For further information, refer to [www.credit-suisse.com/dividend](http://www.credit-suisse.com/dividend).
- (2) Paid out of reserves from capital contributions. Consisted of a cash distribution of CHF 0.10 per share and a distribution of new shares (stock dividend). Shareholders received a non-tradable right to the receipt of a given number of new shares for free. Following the distribution, the rights were automatically exchanged for new shares at the ratio 41:1 as determined by the Board of Directors. The Board of Directors set the subscription ratio so that the theoretical value of each right was approximately CHF 0.65.
- (3) The equivalent amount per American depositary share (“ADS”) in USD was determined by the USD/CHF exchange rate applied to the cash distribution at the payment date on 13th May 2013.
- (4) Paid out of reserves from capital contributions. Shareholders were entitled to receive new shares of Credit Suisse Group, a cash distribution or a combination thereof.
- (5) Paid out of reserves from capital contributions.

Dividends paid by CS to CSG for 2012, 2011, 2010, 2009 and 2008 were CHF 10 million, CHF 10 million, CHF 10 million, CHF 3,000 million and CHF 10 million, respectively.

On a per share basis, dividends paid by CS for the last five years are as follows:

<b>Dividend per ordinary share</b>	<b>CHF<sup>(1)</sup></b>
2012 .....	0.23
2011 .....	0.23
2010 .....	0.23
2009 .....	68.19
2008 .....	0.23

- (1) Dividends are rounded to the nearest CHF 0.01. Dividends are determined in accordance with Swiss law and the Bank’s Articles of Incorporation.

For further information relating to dividends, refer to “*III—Treasury, Risk, Balance sheet and Off-balance sheet—Capital management*” in the Credit Suisse Annual Report 2012.

### **Auditors**

CSG’s and CS’s statutory auditor is KPMG AG (“**KPMG**”), Badenerstrasse 172, 8004 Zurich, Switzerland. CSG’s and CS’s consolidated financial statements as of 31st December 2012 and 2011, and for each of the years in the three-year period ended 31st December 2012 were audited by KPMG in accordance with Swiss law, Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States). The auditors of CSG and CS have no interest in CSG or CS, respectively. KPMG assumed audit services for both CSG and CS for the business year 2009 following an internal restructuring of KPMG in Switzerland, pursuant to which KPMG Klynveld Peat Marwick Goerdeler SA, Zurich (“**KPMG Klynveld**”) ceased to provide audit services to public companies. The audit mandate was first given to KPMG Klynveld for the business year 1989/1990.

The lead engagement partners are Anthony Anzevino, Global Lead Partner (since 2012), Simon Ryder, Group Engagement Partner (since 2010) and auditor in-charge (since 2012) and Mirko Liberto, Leading Bank Auditor (since 2012).

In addition, CSG and CS have mandated BDO AG, Zurich as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations. KPMG and BDO AG are both licensed by the Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals which provide audit services in Switzerland.

### **Capital Adequacy**

For information on the capital adequacy of CSG, including BIS data (risk weighted assets, capital and ratios), refer to “*II—Treasury, Risk, Balance sheet and Off-balance sheet- Capital Management*” in the Credit Suisse Financial Report 2Q13.

## Share Capital

As of 31 December 2012, CSG had fully paid and issued share capital of CHF 52,833,197 comprised of 1,320,829,922 registered shares with a nominal value of CHF 0.04 each. As of 31 December 2012, CSG had conditional share capital in the amount of CHF 20,199,532.68, comprised of 504,988,317 registered shares with a nominal value of CHF 0.04 each. Conditional share capital consisted of pursuant to Article 26 of CSG's Articles of Association, conditional share capital in the amount of CHF 19,340,245.08 through the issue of a maximum of 483,506,127 registered shares with a par value of CHF 0.04 reserved for the purpose of increasing share capital through the conversion of bonds or other financial market instruments of CSG, or any of its Group companies, that allow for contingent compulsory conversion into CSG's shares and that are issued in order to fulfil or maintain compliance with regulatory requirements of CSG and/or any of its Group companies (contingent convertible bonds). Moreover, up to CHF 4,000,000 of the conditional capital pursuant to Article 26 of CSG's Articles of Association was also available for share capital increases executed through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of CSG or any of its Group companies (equity-related financial market instruments). Furthermore, CSG's conditional share capital included CHF 859,287.60 through the issue of a maximum of 21,482,190 shares reserved for employees. In addition, as of 31 December 2012, CSG had conversion capital in the amount of CHF 8,000,000.00 through the issue of a maximum of 200,000,000 registered shares, to be fully paid in, each with a par value of CHF 0.04, through the compulsory conversion upon occurrence of the trigger event of claims arising out of contingent convertible bonds of CSG or any of its Group companies, or other financial market instruments of CSG or any of its Group companies, that provide for a contingent or unconditional compulsory conversion into shares of CSG. As of 31 December 2012, CSG had authorised share capital in the amount of CHF 3,692,632.00 authorising the Board of Directors of CSG to issue at any time until 29 April 2013 up to 92,315,800 registered shares with a nominal value of CHF 0.04 each.

As of 30 June 2013, CSG had fully paid and issued share capital of CHF 63,771,829.40, comprised of 1,594,295,735 registered shares with a nominal value of CHF 0.04 each. The Board of Directors of CSG is authorised, at any time until 26 April 2015, to increase the share capital of CSG by a maximum of CHF 4,497,908.52 through the issuance of a maximum of 112,447,713 registered shares, to be fully paid up, with a par value of CHF 0.04, of which 12,447,713 registered shares are reserved exclusively for issuance to shareholders in connection with a stock dividend. Additionally as of 30 June 2013, CSG had conditional share capital in the amount of CHF 16,514,928.48, comprised of 412,873,212 registered shares with a nominal value of CHF 0.04 each. Conditional share capital consists of, pursuant to Art. 26 of CSG's Articles of Association, conditional share capital in the amount of CHF 16,000,000.00 through the issue of a maximum of 400,000,000 registered shares with a par value of CHF 0.04 reserved for the purpose of increasing share capital through the conversion of bonds or other financial market instruments of CSG, or any of its Group companies, that allow for contingent compulsory conversion into CSG's shares and that are issued in order to fulfil or maintain compliance with regulatory requirements of CSG and/or any of its Group companies (contingent convertible bonds). Moreover, up to CHF 4,000,000.00 of the conditional capital pursuant to Art. 26 of CSG's Articles of Association shall also be available for share capital increases executed through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of CSG or any of its Group companies (equity-related financial market instruments). Furthermore, CSG's conditional share capital includes CHF 514,928.48 through the issue of a maximum of 12,873,212 registered shares with a par value of CHF 0.04 reserved for employees. In addition, as of 30 June 2013, CSG had conversion capital in the amount of CHF 6,000,000.00 through the issue of a maximum of 150,000,000 registered shares, to be fully paid in, each with a par value of CHF 0.04, through the compulsory conversion upon occurrence of the trigger event of claims arising out of contingent convertible bonds of CSG or any of its Group companies, or other financial market instruments of CSG or any of its Group companies, that provide for a contingent or unconditional compulsory conversion into shares of CSG.

As of 30 June 2013, CSG, together with its subsidiaries, held 27,036,831 of its own shares, representing 2.0 per cent. of its outstanding shares.

As of 30 June 2013, CS had fully paid and issued share capital of CHF 4,399,665,200 comprised of 43,996,652 registered shares with a nominal value of CHF 100.00 per share. Each share is entitled to one vote. Additionally as of 30 June 2013, CS had conditional share capital in the amount of CHF 2,000,000,000 for the issue of a maximum of 20,000,000 fully paid shares with a nominal value of CHF 100.00 each. CS has no warrants or convertible rights on its own shares outstanding.

On 17 June 2008, 20 June 2008, 26 August 2008 and 5 August 2010, CS created and increased new participation capital in the total amount of CHF 15,000, divided into 1,500,000 participation securities (*Partizipationsscheine*) with a nominal value of CHF 0.01 each. The participation securities have been subscribed by CSG and have been sold to Claudius Limited. Neither the shares nor the participation securities are listed on any stock exchange.

## **Legal Proceedings**

CSG and CS are involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of their businesses including those disclosed below. Some of these proceedings have been brought on behalf of various classes of claimants and seek damages of material and/or indeterminate amounts.

After taking into account litigation provisions, CSG and CS believe, based on currently available information and advice of counsel, that the results of its legal proceedings, in the aggregate, will not have a material adverse effect on their financial condition. However, in light of the inherent uncertainties of such proceedings, including those brought by regulators or other governmental authorities, the ultimate cost to CSG and CS of resolving such proceedings may exceed current litigation provisions and any excess may be material to operating results for any particular period, depending, in part, upon the operating results for such period. For further information regarding CSG's litigation provisions, see note 37 "*Litigation*" of the notes to CSG's consolidated financial statements in the Credit Suisse Annual Report 2012 and note 29 "*Litigation*" of the notes to CSG's consolidated financial statements in the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13.

### ***Legal Proceedings information as of 31<sup>st</sup> December 2012***

#### *Research-related litigation*

Putative class action lawsuits were filed against Credit Suisse Securities (USA) LLC ("**CSS LLC**") in the wake of publicity surrounding the 2002 industry-wide governmental and regulatory investigations into research analyst practices, with *In re Credit Suisse – AOL Securities Litigation* filed in the US District Court for the District of Massachusetts, being the remaining outstanding matter. The case was brought on behalf of a class of purchasers of common shares of the former AOL Time Warner Inc. ("**AOL**") who have alleged that CSS LLC's equity research coverage of AOL between January 2001 and July 2002 was false and misleading. The second amended complaint in this action asserted federal securities fraud and control person liability claims against CSS LLC and certain affiliates and former employees of CSS LLC. The plaintiffs estimated damages of approximately USD 3.9 billion. On 13th January 2012, the district court granted summary judgment in favour of the defendants upon its determination to preclude a plaintiff expert witness. On 17th May 2012, the court denied the plaintiffs' motion for reconsideration. On 15th November 2012, the plaintiffs filed an appeal and on 7th January 2013, the defendants filed an opposition to the plaintiffs' motion. On 4th February 2013, the plaintiffs filed their reply brief and oral argument on the motion was held on 6th March 2013.

#### *Enron-related litigation*

Two Enron-related actions remain pending against CSS LLC and certain of its affiliates, both in the U.S. District Court for the Southern District of Texas. In these actions, the plaintiffs assert they relied on Enron's financial statements, and seek to hold the defendants responsible for any inaccuracies in Enron's financial statements. In *Connecticut Resources Recovery Authority v. Lay, et al.*, the plaintiff seeks to recover from multiple defendants, pursuant to the Connecticut Unfair Trade Practices Act and Connecticut state common law, approximately USD 130 million to USD 180 million in losses it allegedly suffered in a business transaction it entered into with Enron. A motion to dismiss is pending. In *Silvercreek Management Inc. v. Citigroup, Inc., et al.*, the plaintiff seeks to assert federal and state law claims relating to its alleged USD 280 million in losses relating to its Enron investments. A motion to dismiss is pending.

#### *NCFE-related litigation*

Since February 2003, lawsuits have been pending against CSS LLC and certain of its affiliates with respect to services that it provided to National Century Financial Enterprises, Inc. and its affiliates ("**NCFE**"). From January 1996 to May 2002, CSS LLC acted as a placement agent for bonds issued by NCFE that were to be collateralised by health-care receivables, and in July 2002, as a placement agent for a sale of NCFE preferred stock. From December 2000 through to November 2002, an affiliate of CSS LLC acted as administrative agent

for, and entered into participation agreements in, an asset-backed liquidity facility issued by NCFE that was also to be collateralised by health care receivables. NCFE filed for bankruptcy protection in November 2002. In these lawsuits, which were consolidated as a Multi-District Litigation in the U.S. District Court for the Southern District of Ohio (“SDO”) for pre-trial purposes, investors holding approximately USD 1.9 billion face amount of NCFE’s bonds and approximately USD 12 million in preferred stock sued numerous defendants, including the founders and directors of NCFE, the trustees for the bonds, NCFE’s auditors and law firm, the rating agencies that rated NCFE’s bonds and NCFE’s placement agents, including CSS LLC. The lawsuits asserted claims for breach of contract, negligence, fraud and violation of federal and state securities laws and generally alleged that CSS LLC and/or its affiliates knew or should have known that the health care receivables purportedly backing the bonds were either ineligible for the programmes or non-existent. In April 2009, CSS LLC settled with the New York City Pension Fund bond investor plaintiffs for an amount covered by existing provisions. On 25th September 2012, venue for the bond investor lawsuits was transferred to the Southern District of New York (“SDNY”) and on 27th November 2012 the suits were consolidated for trial. On 26th October 2012, the SDO issued a decision which granted CSS LLC’s summary judgment motion to dismiss all the claims brought by the investor in NCFE preferred stock. On 16th November 2012, that equity investor filed a notice of appeal of that decision to the U.S. Court of Appeals for the Sixth Circuit and on 15th February 2013 filed its appellant’s brief and appendix. On 28th November 2012, the SDNY issued an order providing that trial of the bond investor cases would begin on 1st April 2013. On 28th December 2012, the SDNY issued an order in the bond investor lawsuits directing all parties to engage in settlement discussions in advance of trial. On 25th January 2013, the SDNY issued an order in the bond investor lawsuits holding that in the event CSS LLC or its remaining affiliate in the litigation, and NCFE’s former CEO Lance Poulsen, the only other remaining defendant, were ultimately found liable on certain of the claims at trial, the remaining defendants, including CSS LLC and/or its affiliate, would be jointly and severally liable for the losses relating to those claims, subject to an appropriate reduction for settlements entered into by the bond investors and former defendants. On 13th March 2013, CSS LLC and its affiliate entered into agreements to settle the bond investor lawsuits and resolve all remaining bond investor claims for an amount partially covered by existing provisions.

#### *Refco-related litigation*

In March 2008, CSS LLC was named, along with other financial services firms, accountants, lawyers, officers, directors and controlling persons, as a defendant in an action filed in New York State court by the Joint Official Liquidators of various SPhinX Funds and the trustee of the SPhinX Trust, which holds claims that belonged to PlusFunds Group, Inc. (“**Plus-Funds**”), the investment manager for the SPhinX Funds. The operative amended complaint in the suit asserted claims against CSS LLC for aiding and abetting breaches of fiduciary duty and aiding and abetting fraud by Refco’s insiders in connection with Refco’s August 2004 notes offering and August 2005 IPO. The plaintiffs sought to recover from defendants more than USD 800 million, consisting of 263 million that the SPhinX Managed Futures Fund, a SPhinX fund, had on deposit and lost at Refco, several hundred million dollars in alleged additional “lost enterprise” damages of Plus-Funds and pre-judgment interest. In March 2008, CSS LLC and certain other defendants removed the action to the SDNY. In November 2008, CSS LLC filed a motion to dismiss the amended complaint. In February 2012, the court granted in part and denied in part CSS LLC’s motion to dismiss. The court dismissed the plaintiffs’ claim for aiding and abetting breach of fiduciary duty with prejudice. The court also granted the motion with respect to part of the plaintiffs’ claim for aiding and abetting fraud, but denied the motion with respect to part of that claim. In August 2012, CSS LLC filed a motion for summary judgment with respect to the remaining part of the plaintiffs’ aiding and abetting fraud claim. In December 2012, the court granted the motion, thus dismissing CSS LLC from the case. The court has not yet issued a final judgment as to CSS LLC, and the dismissal of the claims against CSS LLC will be subject to appeal.

#### *Mortgage-related matters*

CSS LLC and certain of its affiliates have received requests for information from certain regulators and/or government entities regarding the origination, purchase, securitisation and servicing of subprime and non-subprime residential mortgages and related issues. CSS LLC and its affiliates are cooperating with such requests.

On 16th November 2012, CSS LLC and certain of its affiliates settled an administrative proceeding with the SEC, which involved potential claims against them relating to settlements of claims against originators involving loans included in a number of their securitisations, by agreeing to pay approximately USD 120 million. This settlement also covered allegations with respect to two RMBS issued in 2006 that CSS LLC and such affiliates made misstatements in SEC filings regarding when they would repurchase mortgage loans from

trusts if borrowers missed the first payment due. CSS LLC and such affiliates agreed to an order, without admitting or denying the allegations, requiring them to cease and desist from violations of Section 17(a)(2) and (3) of the Securities Act of 1933 and requiring one such affiliate to cease and desist from violations of Section 15(d) of the Securities Exchange Act of 1934. A separate possible action, which involved potential claims against CSS LLC relating to due diligence conducted for two mortgage-backed securitisations and corresponding disclosures, formally was closed by the SEC, without any enforcement action, on 19th November 2012.

Following an investigation, on 20th November 2012, the New York Attorney General, on behalf of the State of New York, filed a civil action in the Supreme Court for the State of New York, New York County (“SCNY”) against CSS LLC and affiliated entities in their roles as issuer, sponsor, depositor and/or underwriter of RMBS transactions prior to 2008. The action, which references 64 RMBS issued, sponsored, deposited and underwritten by CSS LLC and its affiliates in 2006 and 2007, alleges that CSS LLC and its affiliates misled investors regarding the due diligence and quality control performed on the mortgage loans underlying the RMBS at issue, seeks an unspecified amount of damages, and is at an early procedural point.

CSS LLC and/or certain of its affiliates have also been named as defendants in various civil litigation matters related to their roles as issuer, sponsor, depositor, underwriter and/or servicer of RMBS transactions. These cases include class action lawsuits and putative class action lawsuits, actions by individual investors in RMBS, actions by monoline insurance companies that guaranteed payments of principal and interest for certain RMBS and repurchase actions by RMBS trusts or investors on behalf of trustees. Although the allegations vary by lawsuit, plaintiffs in the class and putative class actions and individual investor actions generally allege that the offering documents of securities issued by various RMBS securitisation trusts contained material misrepresentations and omissions, including statements regarding the underwriting standards pursuant to which the underlying mortgage loans were issued; monoline insurers allege that loans that collateralise RMBS they insured breached representations and warranties made with respect to the loans at the time of securitisation; and repurchase action the plaintiffs allege breached representations and warranties in respect of mortgage loans and failure to repurchase such mortgage loans as required under the applicable agreements.

The amounts disclosed below do not reflect actual realised plaintiff losses to date or anticipated future litigation exposure. Rather, unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance. Further, amounts attributable to an “operative pleading” for the individual investor actions are not altered for settlements, dismissals or other occurrences, if any, that may have caused the amounts to change subsequent to the operative pleading. In addition to the mortgage-related actions discussed below, a number of other entities have threatened to assert claims against CSS LLC and/or its affiliates in connection with various RMBS issuances, and CSS LLC and/or its affiliates have entered into agreements with some of those entities to toll the relevant statutes of limitations.

*Class action litigations:* In class actions and putative class actions against CSS LLC as an underwriter of other issuers’ RMBS offerings, CSS LLC generally has contractual rights to indemnification from the issuers. However, some of these issuers are now defunct, including affiliates of IndyMac Bancorp (“**IndyMac**”) and Thornburg Mortgage (“**Thornburg**”). With respect to IndyMac, CSS LLC is named as a defendant in two class actions pending in the SDNY brought on behalf of purchasers of securities in various IndyMac RMBS offerings. In one class action, *In re IndyMac Mortgage-Backed Securities Litigation*, CSS LLC is named along with numerous other underwriters and individual defendants related to approximately USD 9.0 billion of IndyMac RMBS offerings. CSS LLC served as an underwriter with respect to approximately 32 per cent. of the IndyMac RMBS at issue or approximately USD 2.9 billion. Certain investors seek to intervene in the action to assert claims with respect to additional RMBS offerings, including two RMBS offerings underwritten by CSS LLC. In those two offerings, CSS LLC underwrote RMBS with an aggregate principal amount of USD 912 million. The SDNY has denied these motions to intervene, and the proposed intervenors are now appealing that ruling. In addition, the plaintiffs filed a motion for reconsideration of the court’s 21st June 2010 decision on defendants’ motion to dismiss. The motion sought to reinstate claims with respect to previously-dismissed RMBS offerings, including 18 additional RMBS offerings underwritten by CSS LLC, with an aggregate principal amount of approximately USD 6.0 billion for which CSS LLC served as an underwriter (of which USD 912 million also is subject to the appeal of the intervention motion). On 16th November 2012, the SDNY denied that motion without prejudice to renewal at a later date. In the other IndyMac related action, *Tsereteli v. Residential Asset Securitization Trust 2006- A8*, CSS LLC is the sole underwriter defendant related to a USD 632 million IndyMac RMBS offering, of which CSS LLC underwrote USD 603 million of certificates. On 8th November 2012, the Second Circuit decided to hear CSS LLC’s interlocutory appeal of the SDNY order granting plaintiff’s

motion for class certification. With respect to *Genesee County Employees' Retirement System v. Thornburg*, CSS LLC is a named defendant in a putative class action pending in the U.S. District Court for the District of New Mexico along with a number of other financial institutions that served as depositors and/or underwriters for approximately USD 5.5 billion of Thornburg RMBS offerings. CSS LLC served as an underwriter with respect to approximately 6.4 per cent. of the Thornburg RMBS at issue or approximately USD 354 million. All defendants have agreed to a settlement in principle in the aggregate amount of USD 11.25 million, which is subject to court approval. A further class action lawsuit pending in the SDNY against CSS LLC and certain affiliates and employees, *New Jersey Carpenters Health Fund v. Home Equity Mortgage Trust 2006-5*, relates to two RMBS offerings, totalling approximately USD 1.6 billion, sponsored and underwritten by the Credit Suisse defendants.

*Individual Investor Actions:* CSS LLC and, in some instances, its affiliates, as an RMBS issuer, underwriter and/or other participant, and in some instances its employees, along with other defendants, are defendants: two actions brought by Cambridge Place Investment Management Inc. in Massachusetts state court, in which claims against CSS LLC, following the court's motion to dismiss ruling dismissing certain claims, relate to less than USD 525 million of the RMBS at issue in an amount to be determined; one action brought by The Charles Schwab Corporation in California state court, in which claims against CSS LLC and its affiliates relate to USD 125 million of the RMBS at issue (approximately 9 per cent. of the USD 1.4 billion at issue against all defendants in the operative pleading); one action brought by the Federal Deposit Insurance Corporation ("FDIC"), as receiver for Citizens National Bank and Strategic Capital Bank in the SDNY, in which claims against CSS LLC and its affiliates relate to approximately USD 28 million of the RMBS at issue (approximately 20 per cent. of the USD 141 million at issue against all defendants in the operative pleading); four actions brought by the FDIC, as receiver for Colonial Bank; one action in the SDNY, in which claims against CSS LLC relate to approximately USD 92 million of the RMBS at issue (approximately 23 per cent. of the USD 394 million at issue against all defendants in the operative pleading); two actions in the US District Court for the Central District of California, in which claims against CSS LLC relate to approximately USD 58 million of the RMBS at issue (approximately 10 per cent. of the USD 553 million at issue against all defendants in the operative pleadings); and one action in the US District Court for the Middle District of Alabama, in which claims against CSS LLC and its affiliates relate to approximately USD 153 million of the RMBS at issue (approximately 49 per cent. of the USD 311 million at issue against all defendants in the operative pleading); seven individual actions brought by the Federal Home Loan Banks of Seattle, San Francisco, Chicago, Indianapolis and Boston in various state and federal courts, in which claims against CSS LLC and its affiliates relate to approximately USD 3.2 billion of the RMBS collectively at issue (approximately 9 per cent. of the USD 36 billion at issue against all defendants in the operative pleadings); five actions brought by the Federal Housing Finance Agency (FHFA), as conservator for Fannie Mae and Freddie Mac, in the SDNY, in which claims against CSS LLC and its affiliates and employees relate to approximately USD 19 billion of the RMBS at issue (approximately 29 per cent. of the USD 65 billion at issue against all defendants in the operative pleadings); one action brought by John Hancock Life Insurance Co. (U.S.A.) and affiliated entities in the US District Court for the District of Minnesota, in which claims against CSS LLC relate to an unstated amount of the RMBS at issue; two actions brought by Landesbank Baden-Württemberg and affiliated entities in the SDNY, in which claims against CSS LLC relate to approximately USD 200 million of the RMBS at issue (100 per cent. of the total amount at issue against all defendants in the operative pleadings); two actions brought by Massachusetts Mutual Life Insurance Company in the U.S. District Court for the District of Massachusetts, in which claims against CSS LLC and its employees relate to approximately USD 107 million of the RMBS at issue (approximately 97 per cent. of the USD 110 million at issue against all defendants in the operative pleadings); one action brought by the National Credit Union Administration Board, as liquidating agent of the U.S. Central Federal Credit Union, Western Corporate Federal Credit Union and Southwest Corporate Federal Credit Union in the U.S. District Court for the District of Kansas, in which claims against CSS LLC and its affiliates relate to approximately USD 715 million of the RMBS at issue (100 per cent. of the total amount at issue against all defendants in the operative pleading); one action brought by Phoenix Light SF Ltd. and affiliated entities in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 362 million of the RMBS at issue (approximately 13 per cent. of the USD 2.8 billion at issue against all defendants in the operative pleading); one action brought by Royal Park Investments SA/NV in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 360 million of the RMBS at issue (approximately 4 per cent. of the USD 8.4 billion at issue against all defendants in the operative pleading); one action brought by Watertown Savings Bank in the SCNY, in which claims against CSS LLC and its affiliates relate to an unstated amount of the RMBS at issue; one action brought by the West Virginia Investment Management Board in West Virginia state court, in which claims against CSS LLC relate to approximately USD 6 million of the RMBS at issue (approximately 35 per cent. of the USD 17 million at issue against all defendants

in the operative pleading); and one action brought by the Western & Southern Life Insurance Company and affiliated entities in Ohio state court, in which claims against CSS LLC and its affiliates relate to approximately USD 260 million of the RMBS at issue (approximately 94 per cent. of the USD 276 million at issue against all defendants in the operative pleading).

CSS LLC and certain of its affiliates and/or employees are the only defendants named in: one action brought by Allstate Insurance Company in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 232 million of RMBS; one action brought by Deutsche Zentral-Genossenschaftsbank AG, New York Branch in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 138 million of RMBS; one action brought by IKB Deutsche Industriebank AG and affiliated entities in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 97 million of RMBS; one action brought by Minnesota Life Insurance Company and affiliated entities in the US District Court for the District of Minnesota, in which claims against CSS LLC and its affiliates relate to approximately USD 43 million of RMBS; one action brought by The Prudential Insurance Company of America and affiliated entities in the US District Court for the District of New Jersey, in which claims against CSS LLC and its affiliates relate to approximately USD 466 million of RMBS; one action brought by Sealink Funding Limited in the SCNY, in which claims against CSS LLC and its affiliates relate to approximately USD 35 million of RMBS, following the 1st March 2013 filing of a complaint by the plaintiff which reduced the RMBS at issue by approximately USD 145 million; one action brought by Stichting Pensioenfonds ABP in the SCNY, in which claims against CSS LLC and its affiliates and employees relate to an unstated amount of RMBS; and one action brought by The Union Central Life Insurance Company and affiliated entities in the SDNY, in which claims against CSS LLC and its affiliates and employees relate to approximately USD 65 million of RMBS. These actions are at early or intermediate procedural points.

*Monoline Insurer Disputes:* CSS LLC and certain of its affiliates are defendants in two pending actions commenced by monoline insurers MBIA Insurance Corp. (“**MBIA**”) and Assured Guaranty Corp., that guaranteed payments of principal and interest that in aggregate total approximately USD 1.3 billion of RMBS issued in seven different offerings sponsored by Credit Suisse. One theory of liability advanced by the monoline insurers is that an affiliate of CSS LLC must repurchase affected mortgage loans from the trusts at issue. In addition, MBIA alleges a claim for fraudulent inducement. To date, the monoline insurers have submitted repurchase demands for loans with an aggregate original principal balance of approximately USD 2.6 billion. These actions are pending in the SCNY. In each action, plaintiff claims that the vast majority of the underlying mortgage loans breach certain representations and warranties, and that CSS LLC and its affiliates have failed to repurchase the allegedly defective loans. Discovery in these actions is ongoing. On 27th February 2013, CSS LLC and its affiliate settled the action brought by Ambac Assurance Corp. in the SCNY for an amount covered by existing provisions. On 8th March 2013, CSS LLC settled an action brought by MBIA in California state court in which MBIA purported to be subrogated to the rights of certain RMBS holders who purchased RMBS underwritten by CSS LLC; that settlement was covered by existing provisions.

*Repurchase litigations:* DLJ Mortgage Capital, Inc. (“**DLJ**”) is a defendant in: one action brought by the FHFA, as conservator for Freddie Mac, on behalf of the Trustees of Home Equity Asset Trust 2006-5, Home Equity Asset Trust 2006-6 and Home Equity Asset Trust 2006-7, in which no damages amount is alleged; one action brought by Home Equity Mortgage Trust Series 2006-5, in which plaintiff alleges damages of not less than USD 497 million; one action brought by Asset Backed Securities Corporation Home Equity Loan Trust, Series 2006-HE7, in which no damages amount is alleged; one action brought by Home Equity Asset Trust, Series 2006-8, in which no damages amount is alleged; and one action brought by Home Equity Asset Trust 2007-1, in which no damages amount is alleged. DLJ and its affiliate Select Portfolio Servicing, Inc. (SPS), are defendants in: one action brought by Home Equity Mortgage Trust Series 2006-1, Home Equity Mortgage Trust Series 2006-3, and Home Equity Mortgage Trust Series 2006-4, in which the plaintiffs allege damages of not less than USD 730 million, and allege that SPS obstructed the investigation into the full extent of the defects in the mortgage pools by refusing to afford the trustee reasonable access to certain origination files. These actions are brought in the SCNY and are at early procedural points.

#### *Bank loan litigation*

On 3rd January 2010, CS and other affiliates were named as defendants in a lawsuit filed in the U.S. District Court for the District of Idaho by homeowners in four real estate developments, Tamarack Resort, Yellowstone Club, Lake Las Vegas and Ginn Sur Mer. CS arranged, and was the agent bank for, syndicated loans provided for all four developments, which have been or are now in bankruptcy or foreclosure. The plaintiffs generally allege that CS and other affiliates committed fraud by using an unaccepted appraisal method



to overvalue the properties with the intention to have the borrowers take out loans they could not repay because it would allow CS and other affiliates to later push the borrowers into bankruptcy and take ownership of the properties. The claims originally asserted by the plaintiffs include Racketeer Influenced and Corrupt Organizations (“**RICO**”), fraud, negligent misrepresentation, breach of fiduciary duty, tortious interference and conspiracy, among others. The plaintiffs have demanded USD 24 billion in damages. Cushman & Wakefield, the appraiser for the properties at issue, is also named as a defendant. An amended complaint was filed against all of the defendants on 25th January 2010, adding six new homeowner plaintiffs in the same four real estate developments.

On 29 March 2010, CS and its named affiliates moved to dismiss the amended complaint in its entirety. CS and its named affiliates argued that the claims against them fail because they had no relationship with the plaintiff homeowners, and made no representations to them, fraudulent or otherwise, so there is no legal basis for the plaintiffs’ claims against them. CS and its affiliates also argued, among other things, that the plaintiffs failed to plead the necessary elements of the claims asserted against them in the amended complaint. On 31st March 2011, the court dismissed the RICO claim with prejudice and dismissed certain other claims with leave to re-plead. A third amended complaint was filed on 21st April 2011, adding a Consumer Protection Act claim. On 5th May 2011, CS and its affiliates moved to dismiss the third amended complaint. On 22nd July 2011, two developers moved to intervene in the lawsuit. On 31st March 2011, the court dismissed the RICO claim with prejudice and dismissed certain other claims with leave to re-plead. A third amended complaint was filed on 21st April 2011, adding a Consumer Protection Act claim. On 5th May 2011, the Bank and its affiliates moved to dismiss the third amended complaint. On 22nd July 2011, two developers moved to intervene in the lawsuit. On 30th March 2012, the court dismissed the unjust enrichment, fiduciary duty and Consumer Protection Act claims and limited fraud and negligent misrepresentation claims to three named plaintiffs. On 17th September 2012, the plaintiffs filed a motion for class certification. On 12th December 2012, CS opposed the motion and oral argument is scheduled to take place on 19th April 2013.

#### *Auction Rate Securities*

On 27th May 2009, Elbit Systems Ltd (“**Elbit**”) filed a complaint against CSG in the U.S. District Court for the Northern District of Illinois, seeking approximately USD 16 million related to the purchase of auction rate securities, alleging federal securities law claims and state law aiding and abetting fraud and unjust enrichment causes of action. The case was transferred to the SDNY, and CSG moved to dismiss the complaint for failure to state a claim and for being barred by a prior release. The motion to dismiss the complaint for being barred by a prior release was denied without prejudice, and the court ordered the parties to engage in limited discovery concerning the release. The parties exchanged discovery on that issue and CSG filed a motion for summary judgment. On 7th February 2012, the SDNY denied CSG’s summary judgment motion holding that a genuine dispute exists as to whether the prior release bars Elbit’s claims. On 7th January 2013, the SDNY denied CSG’s motion to dismiss the complaint for failure to state a claim.

#### *Tax Matters*

CS has been responding to subpoenas and other requests for information from the United States Department of Justice (“**DOJ**”), SEC and other authorities involving historical private banking services provided on a cross-border basis to US persons. U.S. authorities are investigating possible violations of U.S. tax and securities laws. In particular, the DOJ is investigating whether U.S. clients violated their U.S. tax obligations and whether CS and certain of its employees assisted such clients. The SEC is investigating whether certain of our relationship managers triggered obligations for CS or the relationship managers in Switzerland to register with the SEC as a broker-dealer or investment advisor. A limited number of current or former employees have been indicted and one former employee pleaded guilty to conduct while employed at other financial institutions that did not involve CS. CS received a grand jury target letter from the DOJ. CS understands that certain U.S. authorities are also investigating other Swiss and non-U.S. financial institutions. CS has been conducting an internal investigation and is continuing to cooperate with the authorities both in the U.S. and Switzerland to resolve this matter in a responsible manner that complies with its legal obligations.

#### *LIBOR-related matters*

Regulatory authorities in a number of jurisdictions, including the United States, the United Kingdom, the European Union and Switzerland, have for an extended period of time been conducting investigations into the setting of LIBOR and other reference rates with respect to a number of currencies, as well as the pricing of certain related derivatives. These ongoing investigations have included information requests from regulators

regarding LIBOR-setting practices and reviews of the activities of various financial institutions, including CSG. CSG, which is a member of three LIBOR rate-setting panels (U.S. Dollar LIBOR, Swiss Franc LIBOR and Euro LIBOR), is cooperating fully with these investigations.

In particular, it has been reported that regulators are investigating whether financial institutions engaged in an effort to manipulate LIBOR, either individually or in concert with other institutions, in order to improve market perception of these institutions' financial health and/or to increase the value of their proprietary trading positions. In response to regulatory inquiries, CSG commissioned a review of these issues. To date, CSG has seen no evidence to suggest that it is likely to have any material exposure in connection with these issues.

In addition, members of the US Dollar LIBOR panel, including CSG, have been named in various civil lawsuits filed in the United States.

#### *UK Financial Services Authority matter*

On 25th October 2011, the UK Financial Services Authority announced a settlement with Credit Suisse (UK) Limited ("CSUK") in respect of findings as to the adequacy of systems and controls relating to the suitability of sales of non-principal protected products in 2007 to 2009. Under the settlement, CSUK was fined GBP 5.95 million and was required to conduct a review of sales of such products in the relevant period to determine suitability. This review has now been completed and the regulatory action against CSUK in respect of this matter has concluded.

#### ***Legal Proceedings information updated in the First Quarter of 2013***

##### *Mortgage-related matters*

The amounts disclosed below do not reflect actual realized plaintiff losses to date or anticipated future litigation exposure. Rather, unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance.

*Individual investor actions:* On March 29, 2013, the US District Court for the Southern District of New York (SDNY) dismissed in its entirety the action brought against Credit Suisse Securities (USA) LLC (CSS LLC) and its affiliates and employees by The Union Central Life Insurance Company and affiliated entities, although plaintiffs have the ability to seek to amend their complaint within 60 days of the SDNY's decision. On April 8, 2013, the US District Court for the District of Kansas dismissed in part the action brought against CSS LLC and its affiliates by the National Credit Union Administration Board, as liquidating agent of the US Central Federal Credit Union, Western Corporate Federal Credit Union and Southwest Corporate Federal Credit Union, reducing the RMBS at issue for CSS LLC and its affiliates from approximately USD 715 million to approximately USD 311 million. On April 8, 2013, the US District Court for the Central District of California dismissed in its entirety one of the two actions pending in such court against CSS LLC brought by the Federal Deposit Insurance Corporation, as receiver for Colonial Bank; claims in the remaining action relate to approximately USD 46 million of the RMBS at issue (approximately 16% of the USD 283 million at issue against all defendants in the operative pleading).

*Monoline insurer disputes:* On April 2, 2013, Financial Guaranty Insurance Company (FGIC) filed an action against CSS LLC and one of its affiliates in the Supreme Court for the State of New York, New York County relating to insurance issued by FGIC guaranteeing payment of principal and interest on approximately USD 240 million of RMBS issued in one offering sponsored by CSS LLC's affiliate. FGIC has demanded that the Credit Suisse defendants repurchase loans underlying the offering with an aggregate principal amount of approximately USD 36.6 million.

*Repurchase litigations:* On April 8, 2013, Home Equity Mortgage Trust Series 2006-5 filed a complaint relating to its claims against DLJ Mortgage Capital, Inc. (DLJ), adding Select Portfolio Servicing, Inc. (SPS) as a defendant, alleging that SPS likely discovered DLJ's alleged breaches of representations and warranties but did not notify the trustee of such breaches, in alleged violation of its contractual obligations. The complaint also increased the alleged damages from not less than USD 497 million to more than USD 500 million.

## ***Legal Proceedings information updated in the Second Quarter of 2013***

### *Mortgage-related matters*

The amounts disclosed below do not reflect actual realized plaintiff losses to date or anticipated future litigation exposure. Rather, unless otherwise stated, these amounts reflect the original unpaid principal balance amounts as alleged in these actions and do not include any reduction in principal amounts since issuance.

*Individual investor actions:* On April 24, 2013, the Supreme Court of the State of New York, New York County (SCNY) dismissed the action brought by Phoenix Light SF Ltd. and affiliated entities against Credit Suisse Securities (USA) LLC (CSS LLC) and its affiliates, although plaintiffs were granted leave to replead. On May 28, 2013, The Union Central Life Insurance Company and affiliated entities filed a letter motion to propose a second amended complaint in the action brought against CSS LLC and its affiliates and employees. On May 13, 2013, following a settlement, a West Virginia state court dismissed with prejudice the action brought by West Virginia Investment Management Board against CSS LLC. On June 20, 2013, the US District Court for the Central District of California dismissed in part the action pending in such court against CSS LLC brought by the FDIC, as receiver for Colonial Bank; the remaining claims relate to approximately USD 34 million of the RMBS at issue (approximately 12% of the USD 283 million at issue against all defendants in the operative pleading).

*Repurchase litigations:* On May 31, 2013, Asset Backed Securities Corporation Home Equity Loan Trust Series AMQ 2007-HE2 filed an action against DLJ Mortgage Capital, Inc. (DLJ) in the SCNY, alleging that DLJ breached representations and warranties in respect of certain mortgage loans and failed to repurchase such mortgage loans as required under the applicable agreements. No damages amount is alleged.

### *Auction Rate Securities*

On May 22, 2013, the Group and Elbit Systems Ltd (Elbit) settled Elbit's lawsuit in the US District Court for the Southern District of New York seeking approximately USD 16 million related to the purchase of auction rate securities, alleging federal securities law claims and state law aiding and abetting fraud and unjust enrichment causes of action.

### *Tax matters*

Credit Suisse has been responding to subpoenas and other requests for information from the United States Department of Justice (DOJ), SEC and other authorities involving historical Private Banking services provided on a cross-border basis to US persons. US authorities are investigating possible violations of US tax and securities laws. In particular, the DOJ is investigating whether US clients violated their US tax obligations and whether Credit Suisse and certain of its employees assisted such clients. The SEC is investigating whether certain of our relationship managers triggered obligations for Credit Suisse or the relationship managers in Switzerland to register with the SEC as a broker-dealer or investment advisor. A limited number of current or former employees have been indicted and one former employee pleaded guilty to conduct while employed at other financial institutions that did not involve Credit Suisse. Credit Suisse received a grand jury target letter from the DOJ. We understand that certain US authorities are also investigating other Swiss and non-US financial institutions. We have been conducting an internal investigation and are continuing to cooperate with the authorities both in the US and Switzerland to resolve this matter in a responsible manner that complies with our legal obligations. Our provision of Swiss-based information to these US authorities has been in accordance with permission granted by Swiss authorities including the Swiss Federal Council. In early July 2013 the Federal Council announced that it would also provide permission to banks, including Credit Suisse, to transmit information on the destination of assets of US applied for and received such permission from the Federal Council.

### *Singapore MAS matter*

On June 14, 2013, the Monetary Authority of Singapore (MAS) announced it was taking supervisory action against 20 banks for various deficiencies relating to the benchmark processes regarding the Singapore dollar

interest rate benchmarks, Singapore Interbank Offered Rates and Swap Offered Rates, and the foreign exchange spot benchmarks commonly used to settle Non-Deliverable Forward foreign exchange contracts. Credit Suisse AG Singapore Branch (CSSB) was one of the named banks. The MAS censured the banks and directed them to adopt measures to address these deficiencies. The MAS has also required 19 of the 20 banks, including CSSB, to set aside additional statutory reserves for a period of one year. CSSB, along with six other panel banks, has been calibrated in the third of five tiers by the MAS and required to set aside additional statutory reserves of SGD 400-600 million, which were deposited with the MAS in a non-interest bearing account. These additional reserves will be returned to each bank within one year, assuming it has satisfied the MAS that it has adopted sufficient measures to address the identified deficiencies.

#### *CDS-related matters*

In July 2013, the Directorate General for Competition of the European Commission (DG Comp) issued a Statement of Objections (SO) to various entities of thirteen CDS dealer banks, certain Market entities and the International Swaps and Derivatives Association, Inc. (ISDA) in relation to DG Comp's investigation into possible violations of competition law by certain CDS market participants. Certain Credit Suisse entities were among the named bank entities. The SO marks the commencement of enforcement proceedings in respect of what DG Comp alleges were unlawful attempts to prevent the development of exchange traded platforms for CDS between 2006 and 2009. The next step in the process is for the named entities to provide written responses. In addition, certain Credit Suisse entities, as well as other banks, have been named in civil litigation in the US. Further, Credit Suisse (USA), Inc. has received civil investigative demands from the United States Department of Justice (DOJ).

For further information regarding legal proceedings, see note 29 "*Litigation*" of the notes to CSG's consolidated financial statements in the Credit Suisse Financial Report 1Q13 and Credit Suisse Financial Report 2Q13.

#### **Additional Information about CSG and CS**

CSG is a publicly held corporation and its registered shares have been listed and traded on the SIX Swiss Exchange and as American Depositary Shares in New York. Since 4th May 2009, the date on which the trading in Swiss blue chips was transitioned from SWX Europe Ltd. to the newly created SIX Swiss Exchange "Swiss Blue Chip Segment", trading in the shares of CSG is again on the SIX Swiss Exchange. Prior to 4 May 2009, the registered shares of CSG had traded on SWX Europe Ltd. (formerly known as virt-x) since 25 June 2001. The Group's American Depositary Shares are traded on the New York Stock Exchange.

CSG owns 100 per cent. of CS. For further information on CSG's subsidiaries, see note 38 of the Notes to CSG's consolidated financial statements in the Credit Suisse Annual Report 2012.

CSG and CS prepare their consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("**U.S. GAAP**"). Neither CSG nor CS prepare their accounts in accordance with International Financial Reporting Standards ("**IFRS**").

For further information about CS and CSG, refer to the Credit Suisse Annual Report 2012, the Credit Suisse Financial Report 1Q13 and the Credit Suisse Financial Report 2Q13 incorporated by reference in this Base Prospectus.

## **GENERAL DESCRIPTION OF THE PROGRAMME**

The programme is a Programme for the issue of Underlying-linked Securities under which CS may from time to time issue Securities linked to Reference Underlyings in accordance with and subject to all applicable laws and regulations and denominated in any currency, subject as set out herein. The applicable terms of any Securities will be agreed between CS and the relevant Dealer prior to the issue of the Securities and will be set out in the Terms and Conditions of the Securities endorsed on, attached to, or incorporated by reference into, the Securities, as completed by the applicable Final Terms attached to, or endorsed on, such Securities. The Securities may be offered to any professional, institutional or retail investors.

## **USE OF PROCEEDS**

The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes, which include making a profit. The net proceeds from each issue of Securities of Credit Suisse AG (acting through the Nassau Branch or any Substitute Branch) will be used by the Issuer outside Switzerland to ensure that the Securities will not become subject to Swiss withholding and Swiss stamp tax law as a consequence of such use of proceeds in Switzerland. A substantial portion of the proceeds from the issue of certain Securities may be used to hedge market risk with respect to such Securities. If, in respect of any particular issue of Securities which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## TRANSFER AND SELLING RESTRICTIONS

This section sets out a summary of certain restrictions regarding who can purchase the Securities in certain jurisdictions.

From time to time, the Issuer will act in its capacity as Initial Dealer in respect of Securities that it wishes to issue. The Securities may be sold at prevailing market prices, or at prices related thereto, at the time of such sale, as determined by the Initial Dealer. The Securities may be offered to any professional, institutional or retail investors.

### Transfer Restrictions

*As a result of the following restrictions, purchasers of Securities in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Securities.*

### 144A Global Securities

Each purchaser of Securities within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (i) It is (a) a qualified institutional buyer within the meaning of Rule 144A ("**QIB**"), (b) acquiring such Securities for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Securities has been advised, that the sale of such Securities to it is being made in reliance on Rule 144A.
- (ii) The Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
- (iii) Such Securities, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

**“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE**

**EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY.”**

- (iv) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Securities for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (v) It understands that the Securities offered in reliance on Rule 144A will be represented by the 144A Global Security. Before any interest in the 144A Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the 144A Global Security, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

**Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

**Regulation S Global Securities**

Each purchaser of Securities outside the United States pursuant to Regulation S and each subsequent purchaser of such Securities in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Securities, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Securities are purchased will be, the beneficial owner of such Securities and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Securities have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Securities except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (iii) It understands that such Securities, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

**“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”**

- (iv) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (v) It understands that the Securities offered in reliance on Regulation S will be represented by the Regulation S Global Security. Prior to the expiration of the distribution compliance period, before



any interest in the Regulation S Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Security, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

- (vi) It is expected that delivery of the Securities will be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Securities which date may be specified in the Final Terms. Pursuant to Rule 15c6-1 under the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”), trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Securities on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Securities may initially settle on or about a date which will occur more than three business days after the date of pricing of the Securities, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Securities who wish to trade Securities on the date of pricing or the next succeeding business day should consult their own adviser.

### **Selling Restrictions**

No action has been or will be taken by the Issuer or the Dealers that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required. No offer, sale or delivery of the Securities, or distribution or publication of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto shall be offered or will be offered to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, such Securities may be offered to the public in that Relevant Member State:

- (a) if the final terms in relation the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospective Directive in the Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Securities to the public” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### ***Hong Kong***

The Securities (except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”)), have not been offered or sold, and will not be offered or sold, in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the SFO.

No person has issued, or had in its possession for the purposes of issue, and no person will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### ***Korea***

The Securities may not be directly or indirectly offered, sold or delivered in Korea or to others for re-offering or re-sale directly or indirectly in Korea except as otherwise permitted by applicable Korean laws and regulations, and where the Securities are linked to shares of the companies incorporated in Korea that are listed on the Korean Stock Exchange and quoted in Korean Won, the Securities may not be directly or indirectly offered, sold or delivered to any person with Korean nationality (whether resident in Korea or not) or to any resident of Korea, or to others for re-offering or re-sale directly or indirectly to any person with Korean nationality (whether resident in Korea or not) or to any resident of Korea.

### ***India***

This Base Prospectus has not been and will not be registered as a prospectus with the Registrar of Companies and the Securities will not be offered or sold in India, nor has any other offering document or material relating to the Securities, directly or indirectly, been circulated to any members of the public in India. In addition, Securities deemed to be Offshore Derivative Instruments by virtue of being linked to any Indian Reference Underlyings may not be offered, sold or delivered, or offered, sold or delivered to any person for re-offering, resale or redelivery, in any such case directly or indirectly, in India or to any Restricted Entity (as defined in Condition 7(1)(iii)).

Each holder of the Securities represents that:

- (1) it is not a protected cell company (“PCC”) or segregated portfolio company (“SPC”) and does not have an equivalent structure howsoever described; and
- (2) it is not a multi-class share vehicle (“MCV”) by constitution and does not have an equivalent structure howsoever described and contains only a single class of shares; or
- (3) it is a MCV by constitution and has more than one class of shares or has an equivalent structure and either:
  - (a) a common portfolio is maintained for all of its classes of shares and it is broad based; or
  - (b) a segregated portfolio is maintained for each of its classes of shares and each class of shares is broad based.

For the purposes of this clause, “PCC”, “SPC” and “MCV” are to be used in the context referred to in the SEBI Circular issued to Foreign Institutional Investors dated 15 April 2010 and "broad based" is as defined in the SEBI (Foreign Institutional Investor) Regulations, 1995, as amended.

### ***Indonesia***

No license nor action has been or will be obtained and taken in Indonesia that would permit a public offering and/or sale of the Securities, or require a prospectus, offering and/or sale document to be filed with Bank Indonesia and/or Indonesian Financial Services Authority (Otoritas Jasa Keuangan – “OJK”) as well as the relevant authorities with respect to the offering and/or sale of the Securities and none of this document, offering material or term sheet or final terms (the “Material”) has been or will be registered or filed under the Indonesian Capital Market law or with Bank Indonesia and/or OJK.

The Material may not be forwarded or distributed, in whole or in part, to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this documents in whole or in part is unauthorized. The Securities may not be offered in Indonesian territory. Failure to comply with this restriction may result in violation of the capital market law or the applicable laws of the Republic of Indonesia.

In addition, where the Securities are linked to shares of the companies incorporated in Indonesia that are listed on any stock exchange in Indonesia, the Securities may not be offered, sold or delivered, directly or indirectly, to any Indonesian Citizen.

### ***Malaysia***

No prospectus in relation to the Securities has been registered with the Securities Commission of Malaysia (“SC”) pursuant to the Capital Markets and Services Act 2007 of Malaysia (“CMSA”). The Securities shall not be offered for subscription or sold, directly or indirectly, nor may an invitation or offer to subscribe for or sell such Securities be made in Malaysia unless such offer or invitation has been approved by the SC or is otherwise exempted under Schedule 5 of CMSA, and it is exclusively made to persons specified under Schedules 6 and 7 of the CMSA, which shall include, *inter alia*, sophisticated investor, holder of capital markets services licence and persons outside Malaysia.

### ***Pakistan***

The Securities are not being offered or sold and may not be offered or sold directly or indirectly in Pakistan, to residents of Pakistan or to or for the account or benefit of, any such persons.

### ***People’s Republic of China***

The Securities may not be offered, sold or delivered, directly or indirectly, in the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) (the “PRC”) and, if the Securities are linked to A-Shares (as defined below), to any Domestic Investor as defined in the Administrative Rules of Securities

Accounts of China Securities Depository and Clearing Corporation Limited or to any person which is the trustee for a Trust (defined below), or to any person which pays or will pay for the Securities any amounts which involved or will involve moneys financed by or sourced from any Domestic Investor in contravention of the laws and regulations of the PRC.

“**A-Share**” means shares of the companies incorporated in the PRC that are listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange and quoted in Renminbi.

The term “Domestic Investor” is defined in the Administrative Rules of Securities Accounts of China Securities Depository and Clearing Corporation Limited and includes the following:

- (i) PRC citizens who are not permanent residents of another country or region or permanent residents of Hong Kong, Macau or Taiwan; and
- (ii) Legal persons registered in the PRC (excluding Hong Kong, Macau and Taiwan).

“**Legal persons registered in the PRC**” means entities incorporated or organised in the PRC (excluding Hong Kong, Macau and Taiwan) and excludes foreign entities incorporated or organised in other jurisdictions even though they may have an office (i.e. a branch) in the PRC.

“**PRC citizens**” used in the rules mean persons holding a resident identification card of the PRC (excluding Hong Kong, Macau and Taiwan) and do not include persons who are permanent residents of Hong Kong, Macau or Taiwan.

“**Renminbi**” means the lawful currency of the PRC.

A “**Trust**” means a trust the interests in which are majority-owned by, and the management decision over which is controlled by, one or more Domestic Investor(s). For the avoidance of doubt, in the case only where a Trust’s investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to control such entity for the purposes of this definition by reason only of it being able to control the decision-making in relation to the entity’s financial, investment and/or operating policies.

### ***Russia***

The Securities may not be offered or sold or transferred or otherwise disposed of (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law. Since neither the issue of the Securities nor a securities prospectus in respect of the Securities has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation (the “**FSFM**”), the Securities are not eligible for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian “qualified investors” (as defined under Russian law) in a manner that is permitted under Russian law and that does not constitute “advertisement”, “placement” or “public circulation” of the Securities in the Russian Federation. Information set forth in the Base Prospectus and the applicable Final Terms 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.

### ***Saudi Arabia***

This document does not constitute an offer to persons in Saudi Arabia, and may not be distributed in Saudi Arabia except to such persons as are permitted under the Offer of Securities Regulations issued by the Saudi Arabia Capital Markets Authority (“**CMA**”). The CMA does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss

arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the Securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the Securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

### ***Singapore***

This Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the Securities will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, by holding Securities each Securityholder is deemed to represent and agree that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offer of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

### ***Switzerland***

This document is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this document nor any other offering or

marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, nor the Issuer nor the Securities have been or will be filed with or approved by any Swiss regulatory authority. The Securities are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority (FINMA), and investors in the Securities will not benefit from protection or supervision by such authority.

Any Securities with a maturity of one year or longer may not be sold to Swiss resident private investors in any case.

### ***Taiwan***

The Securities may not be sold, offered or issued to Taiwan resident investors or in Taiwan unless they are made available (i) outside Taiwan for purchase by such investors outside Taiwan and/or (ii) in Taiwan through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products under which rules the Securities have been registered in Taiwan.

Where the securities are linked to any Taiwanese Reference Underlying, the Securities may only be made available for purchase outside of Taiwan by investors residing in Taiwan or the PRC that are not otherwise prohibited from investing in the Securities under relevant Taiwan laws and regulations and in circumstances where the funds invested in the Securities do not come from Taiwan or the PRC. The Securities may not be offered, sold or delivered in Taiwan.

Securities linked to PRC A-Shares may be made available, outside Taiwan, to Taiwan resident investors otherwise legally permitted to invest in such products so long as such investors are not investing therein for purposes of gaining or exercising control or influence, directly or indirectly, over the management of any company incorporated in the People's Republic of China, but are not permitted to be offered, marketed, sold or issued in Taiwan.

### ***United Kingdom***

All applicable provisions of the FSMA must be complied with respect to anything done in relation to the Securities in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may only be communicated or caused to be communicated in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer.

### ***United States of America***

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the terms of the relevant agreement between the Issuer and such Dealer, it will not offer or sell Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit

of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Securities within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such tranche of Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States and for the resale of the Securities in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

### ***Vietnam***

The Securities may not be offered, sold or delivered in the Socialist Republic of Vietnam unless otherwise permitted by the applicable laws and regulations of the Socialist Republic of Vietnam.

### ***General***

None of the Issuer or the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The offer and sale of the Securities will also be subject to such other restrictions on distribution and transfer as may be set out in the applicable Final Terms.

## TAXATION

### General Taxation Information

The information provided below does not purport to be a complete summary of the tax law and practice currently available. Potential purchasers of Securities are advised to consult their own tax advisers as to the tax consequences of transactions involving Securities. The following description of tax law is based upon the law and regulations as in effect on the date of this Base Prospectus and is subject to any amendments in such law and regulations introduced at a later date, whether or not on a retroactive basis.

### Nassau – The Bahamas

Under the laws of the Bahamas, there is currently no withholding tax on payments of principal, distribution, premium or interest, nor on accrued but unpaid interest, in respect of the Securities.

### Switzerland

According to the present Swiss law and practice of the Swiss Federal Tax Administration, payments of interest on Securities will not be subject to Swiss withholding tax. However, interest payments made by Swiss paying agents to EU resident individuals with respect to the Securities will be subject to EU withholding tax. The Swiss paying agent may therefore withhold such amounts as are necessary to pay the EU withholding tax.

### Luxembourg

The comments below are intended as a basic summary of certain withholding and direct tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

### *Withholding Tax*

#### (i) *Non-resident Securityholders*

Under Luxembourg general tax laws currently in force and subject to the laws of 21st June 2005 as amended (the “**Laws**”) mentioned below, there is no withholding tax on payments of principal, distribution, premium or interest made to non-resident Securityholders, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident Securityholders.

Under the Laws implementing the Council Directive 2003/48/EC of 3rd June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.



The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

(ii) *Resident Securityholders*

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December 2005, as amended (the “**Law**”) mentioned below, there is no withholding tax on payments of principal, distribution, premium or interest made to Luxembourg resident Securityholders, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident Securityholders.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10%.

***Income Taxation – Non-resident Securityholders***

A non-resident corporate Securityholder or an individual Securityholder acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Securities are attributable, is subject to Luxembourg income tax on distribution, premium or interest accrued or received, redemption premiums or issue discounts, under the Securities and on any gains realised upon the sale or disposal, in any form whatsoever, of the Securities.

**EU Savings Directive**

Under the European Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each EU Member State (including Ireland) is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg will (unless they elect otherwise) instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU territories to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual or certain other persons in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Investors should note that the European Commission has announced proposals to amend the Savings Directive. If implemented, the proposed amendments would extend the scope of the Savings Directive to

(i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

## **United States Tax Considerations for Investors**

### ***Substitute Dividend and Dividend Equivalent Payments***

Recently issued proposed and temporary United States Treasury regulations treat a “dividend equivalent” payment as a dividend from sources within the United States. Unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the United States Internal Revenue Service to be substantially similar to a payment described in the preceding clauses (i) and (ii). Proposed regulations provide criteria for determining whether a notional principal contract will be a specified notional principal contract, effective for payments made after 31st December 2013.

Proposed regulations address whether a payment is a dividend equivalent. The proposed regulations provide that an equity-linked instrument that provides for a payment that is a substantially similar payment is treated as a notional principal contract for these purposes. An equity-linked instrument is a financial instrument or combination of financial instruments that references one or more underlying securities to determine its value, including a futures contract, forward contract, option, or other contractual arrangement. The proposed regulations consider any payment, including the payment of the purchase price or an adjustment to the purchase price, to be a substantially similar payment (and, therefore, a dividend equivalent payment) if made pursuant to an equity-linked instrument that is contingent upon or determined by reference to a dividend (including payments pursuant to a redemption of stock that gives rise to a dividend) from sources within the United States. The rules for equity-linked instruments under the proposed regulations will be effective for payments made after the rules are finalized. Where the securities reference an interest in a fixed basket of securities or a “customized index,” each security or component of such basket or customized index is treated as an underlying security in a separate notional principal contract for purposes of determining whether such notional principal contract is a specified notional principal contract or an amount received is a substantially similar payment.

We will treat any portion of a payment or deemed payment on the securities that is substantially similar to a dividend as a dividend equivalent payment, which will be subject to U.S. withholding tax unless reduced by an applicable tax treaty and a properly executed Internal Revenue Service Form W-8 (or other qualifying documentation) is provided. Investors should consult their tax advisers regarding whether payments or deemed payments on the securities constitute dividend equivalent payments.

### ***Securities Held Through Foreign Entities***

Under the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act (“FATCA”) and recently finalised regulations, a 30% withholding tax is imposed on “withholdable payments” and certain “passthru payments” made to “foreign financial institutions” (as defined in the regulations or an applicable intergovernmental agreement) (and their more than 50% affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution’s affiliates) and to annually report certain information about such account. The term “withholdable payments” generally includes (1)

payments of fixed or determinable annual or periodical gains, profits, and income (“**FDAP**”), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. “Passthru payments” means any withholdable payment and any foreign passthru payment. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30%. We will treat payments on the securities as withholdable payments for these purposes.

Withholding under FATCA will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity.

Pursuant to the recently finalized regulations described above and subject to the exceptions described below, FATCA’s withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above) made after 31st December 2013 (other than certain payments made with respect to a “preexisting obligation,” as defined in the regulations); (ii) payments of gross proceeds of the type described above with respect to a sale or disposition occurring after 31st December 2016; and (iii) foreign passthru payments made after the later of 31st December 2016, or six months after the date that final regulations defining the term “foreign passthru payment” are published. Notwithstanding the foregoing, the provisions of FATCA discussed above generally will not apply to (a) any obligation (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that is outstanding on 1st January 2014 (a “grandfathered obligation”); (b) any obligation that produces withholdable payments solely because the obligation is treated as giving rise to a dividend equivalent pursuant to Code section 871(m) and the regulations thereunder that is outstanding at any point prior to six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents; and (c) any agreement requiring a secured party to make payments with respect to collateral securing one or more grandfathered obligations (even if the collateral is not itself a grandfathered obligation). Thus, if you hold your securities through a foreign financial institution or foreign entity, a portion of any of your payments made after 31st December 2013, may be subject to 30% withholding.

## CERTAIN ERISA CONSIDERATIONS

The Issuer and certain affiliates of the Issuer may each be considered a “party in interest” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (**ERISA**) or a “disqualified person” within the meaning of the Internal Revenue Code of 1986, as amended, (the **Code**) with respect to certain employee benefit plans and individual retirement accounts, Keogh plans and other plans subject to Section 4975 of the Code. Prohibited transactions within the meaning of ERISA or the Code may arise, for example, if the Securities are acquired by or with the assets of a pension or other employee benefit plan or account with respect to which the Issuer or any of its affiliates is a service provider, unless the Securities are acquired pursuant to an exemption from the prohibited transaction rules. Similar rules may also apply to certain governmental plans (as defined in Section 3(32) of ERISA) church or non-U.S. plans, to the extent such plans are subject to provisions similar to the prohibited transaction rules under other federal, state, local or non-U.S. laws.

The assets of a pension or other employee benefit plan may include assets held in the general account of an insurance company that are deemed to be “plan assets” under ERISA.

The acquisition of the Securities may be eligible for one of the exemptions noted below if such acquisition:

- (a) (i) is made solely with the assets of a bank collective investment fund and (ii) satisfies the requirements and conditions of Prohibited Transaction Class Exemption (**PTCE**) 91-38 issued by the Department of Labor (**DOL**);
- (b) (i) is made solely with assets of an insurance company pooled separate account and (ii) satisfies the requirements and conditions of PTCE 90-1 issued by the DOL;
- (c) (i) is made solely with assets managed by a qualified professional asset manager and (ii) satisfies the requirements and conditions of PTCE 84-14 issued by the DOL;
- (d) (i) is made solely with assets of a governmental, church or non-U.S. plan and (ii) is not subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code;
- (e) (i) is made solely with assets of an insurance company general account and (ii) satisfies the requirements and conditions of PTCE 95-60 issued by the DOL;
- (f) (i) is made solely with assets managed by an in-house asset manager and (ii) satisfies the requirements and conditions of PTCE 96-23 issued by the DOL; or
- (g) is made in accordance with Section 408(b)(17) to a non-fiduciary service provider for adequate consideration.

Unless otherwise provided in the applicable Final Terms, by its purchase of any Security and by each subsequent transferee’s purchase of any Security, each holder and each subsequent transferee will be deemed to have represented and warranted on each day from the date on which it acquires the Security through and including the date on which it disposes of its interest in the Security, either that (A) it is not a plan subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, or (B)(i) its purchase, holding and disposition of the Security will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 or the Code (or, in the case of a governmental, church or non-U.S. plan, a violation of any substantially similar federal, state, local or non-U.S. law) or any other violation of an applicable requirement of ERISA of the Code (including, without limitation, Section 404(b) of ERISA and

DOL regulation section 2550.404b-1) for which an exemption is not available, and (ii) neither the Issuer nor any of its affiliates is a “fiduciary” (within the meaning of Section 3(21) of ERISA or, in the case of a governmental, church or non-U.S. plan, any substantially similar federal, state, local or non-U.S. law) with respect to it by reason of its investment in the Securities and no advice that has been provided to it by the Issuer or any of its affiliates has formed a basis for any investment decision by it made in connection with the Securities. By its purchase of any Security, each holder hereby indemnifies the Issuer, its subsidiaries and affiliates, and its officers, directors, advisors and other representatives and any of their subsidiaries or affiliates, against any direct or indirect liability that arises from any breach (whether or not intentional) of the foregoing representations.

Each purchaser of Securities will, by its purchase of such Securities, be deemed to acknowledge that the purchase of the Security may not satisfy the indicia of ownership requirements under ERISA (Section 404(b)) and the Issuer makes no representations in connection therewith. Accordingly, benefit plan investors that are subject to ERISA should consult with their own counsel to determine whether the purchase of Securities will satisfy the indicia of ownership requirements of ERISA applicable to such purchase.

Any insurance company or pension or employee benefit plan proposing to invest in the Securities should consult with its legal counsel. Purchasers of the Securities have exclusive responsibility for ensuring that their purchase and holding of the Securities does not violate the fiduciary and prohibited transaction rules of ERISA, the Code or any similar laws or rules.

**THE SALE OF SECURITIES TO A PENSION OR OTHER EMPLOYEE BENEFIT PLAN IS IN NO RESPECT A REPRESENTATION BY THE ISSUER THAT SUCH AN INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY PENSION OR EMPLOYEE BENEFIT PLANS GENERALLY OR ANY PARTICULAR PLAN, OR THAT SUCH AN INVESTMENT IS APPROPRIATE FOR PLANS GENERALLY OR ANY PARTICULAR PLAN.**

## GENERAL INFORMATION

### Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and the issue of the Securities.

### Approval, Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Securities may be issued under the Programme which are not listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange or any other stock exchange or market or Securities may be issued which are listed or admitted to trading, as the case may be, on such other stock exchange or markets (such as the Irish Stock Exchange) as the Issuer may decide.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from CS's registered office:

- (i) the constitutional documents (with an English translation thereof) of CS;
- (ii) the Credit Suisse Annual Report 2012 and the Credit Suisse Annual Report 2011;
- (iii) the First Quarter Form 6-K dated 24th April 2013, the First Quarter Form 6-K dated 8th May 2013 the Form 6-K dated 26th April 2013, the Form 6-K dated 1st July 2013, the Form 6-K dated 25th July 2013, the CS Form 6-K dated 31st July 2013 and the CSG Form 6-K dated 31st July 2013;
- (iv) the most recently published audited annual financial statements of CS and the most recently published unaudited interim financial statements (if any) of CS (with an English translation thereof, if necessary), in each case together with any audit or review reports prepared in connection therewith. CS currently prepares unaudited consolidated interim accounts on a semi-annual basis;
- (v) the Agency Agreement, the Deed of Covenant and the forms of the Global Securities and the Securities in definitive form;
- (vi) a copy of this Base Prospectus;
- (vii) any future base prospectuses, all supplements to this Base Prospectus and all Final Terms (save that a Final Terms relating to a Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Security and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Securities and identity) and any other documents incorporated herein or therein by reference; and
- (viii) in the case of each issue of Securities admitted to trading on a regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

For the period of 12 months following the date of this Base Prospectus, copies of the documents listed in (i) to (v) and (viii) above will, when published, be available for inspection and the documents listed in (vi) and (vii) will, when published, be available for collection from the specified offices of the Paying Agents for the time being.

In addition, copies of this Base Prospectus, each Final Terms relating to Securities which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).

### **Clearing Systems**

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Securities are to clear through DTC, the CUSIP will be specified in the applicable Final Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, société anonyme, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Securities to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no significant change in the financial position of the Issuer since 30th June 2013, and no material adverse change in the prospects of the Issuer since 31st December 2012.

### **Litigation**

Save as disclosed under "Description of Credit Suisse Group AG and Credit Suisse AG — Legal Proceedings", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

### **Auditors**

The auditors of CS are KPMG AG who have audited CS's accounts, without qualification, in accordance with Swiss Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States) for each of the two financial years ended on 31st December 2012 and 2011. The auditors of CS have no interest in CS. KPMG AG assumed audit services for CS for the business year 2009 following an internal restructuring of KPMG in Switzerland, pursuant to which KPMG Klynveld Peat Marwick Goerdeler SA ceased to provide audit services to public companies. KPMG AG is licensed by the Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals which provide audit services in Switzerland.

### **Post-issuance information**

Except to the extent required by applicable law and regulation, the Issuer does not intend to provide any post-issuance information.

**Dealers transacting with Credit Suisse AG**

Credit Suisse Securities (Europe) Limited is an indirect subsidiary of CS. Credit Suisse (Hong Kong) Limited is a direct subsidiary of CS.



**ISSUER**

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

Paradeplatz 8  
CH-8001 Zurich  
Switzerland

Bahamas Financial Centre  
4th Floor  
Charlotte and Shirley Street  
Nassau

**DEALER, PRINCIPAL PAYING AGENT,  
CALCULATION AGENT, REGISTRAR AND TRANSFER AGENT**

**Credit Suisse (Hong Kong) Limited**

Level 88  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

**DEALER AND CALCULATION AGENT**

**Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**DEALER**

**Credit Suisse Securities (USA) LLC**

Eleven Madison Avenue  
New York  
NY 10010-3629  
United States of America

**LUXEMBOURG PAYING AGENT AND LUXEMBOURG TRANSFER AGENT**

**Banque Internationale à Luxembourg, société anonyme**

69 route d'Esch  
L-2953 Luxembourg

**AUDITORS TO THE ISSUER**

**KPMG AG**

Badenerstrasse 172  
8004 Zurich  
Switzerland

**LEGAL ADVISERS TO THE ISSUER**

**Linklaters**

10/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong