**Credit Suisse AG, London Branch**

**Up to USD 500,000,000 Notes linked to the Credit Suisse Carry Income Index, due March 2021**

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

**Series SPLB2017-860**

**ISIN: XS1739518337**

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

**Summary and Securities Note**

This document comprises two parts:

- Part One is a summary of the Registration Document and Securities Note (the "**Summary**"); and
- Part Two is a securities note (the "**Securities Note**").

The Summary and Securities Note contain information relating to the above Securities.

**Registration Document**

The Summary and Securities Note shall be read in conjunction with the registration document dated 30 March 2017 (the "**Original Registration Document**"), as supplemented by a supplement dated 11 April 2017, a supplement dated 10 May 2017, a supplement dated 3 August 2017, a supplement dated 7 November 2017, a supplement dated 17 November 2017, a supplement dated 7 December 2017 and a supplement dated 29 December 2017 (the Original Registration Document as so supplemented, the "**Registration Document**"), containing information in respect of Credit Suisse AG, acting through its London Branch (the "**Issuer**").

**Prospectus**

Together, the Registration Document, the Summary and the Securities Note constitute a "prospectus" (the "**Prospectus**") for the Securities, prepared for the purposes of Article 5.3 of Directive 2003/71/EC, as amended from time to time, including by Directive 2010/73/EU (the "**Prospectus Directive**"). The Prospectus and all related notices will be published on the website of the Issuer (https://derivative.credit-suisse.com/uk/gb/en/) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

**Programme**

The Prospectus is one of a number of prospectuses under the Structured Products Programme for the issuance of Notes, Certificates and Warrants (the "**Programme**") of the Issuer and Credit Suisse International.

**The Securities**

The Securities are in the form of Notes and are issued by the Issuer under the Programme. The terms and conditions of the Securities will comprise:

- the General Terms and Conditions of Notes (the "**General Conditions**") as incorporated by reference from the Put and Call Securities Base Prospectus dated 27 July 2017 pursuant to the Credit Suisse AG and Credit Suisse International Structured Products Programme for the issuance of Notes, Certificates and Warrants that has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (as supplemented up to, and including, the date hereof, the "**Base Prospectus**");

- the applicable Product Conditions (the "**Product Conditions**") as incorporated by reference from the Base Prospectus;

- the Asset Terms for Equity Index-linked Securities (the "**Asset Terms**") as incorporated by reference from the Base Prospectus; and

- the specific terms of the Securities, as completing and amending the General Conditions, the Product Conditions and the Asset Terms, as set forth in "**Specific Terms**" below.

**Underlying Asset**

The return on the Securities is linked to the performance of the Credit Suisse Carry Income Index.

**"Risk Factors" section in the Prospectus**

**Depending on the performance of the Underlying Asset, you may or may not realise at maturity any return in excess of the amount you invest in the Securities.**

Before purchasing any Securities, you should consider, in particular, the information in the section entitled "Risk Factors" below together with the relevant Risk Factors set out in the Registration Document and those incorporated by reference from the Base Prospectus, the 31 August 2017 Supplement (as defined below), the 26 September 2017 Supplement (as defined below) and the 14 November 2017 Supplement (as defined below).

**EU Benchmark Regulation: Article 29(2) statement on benchmarks**

Amounts payable under the Securities are calculated by reference to the Credit Suisse Carry Income Index, which is provided by Credit Suisse International (the "**Administrator**"). As at the date of this Prospectus, the Administrator does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**").

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("**EEA**") other than in Spain and Italy. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA will be available other than in Spain and Italy and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA other than in Spain and Italy may be unlawful under the PRIIPS Regulation.

19 January 2018

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## IMPORTANT NOTICES

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

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

**No other person is authorised to give information on the Securities**

In connection with the issue and sale of the Securities, no person is authorised by the Issuer to give any information or to make any representation not contained in the Registration Document, the Summary or the Securities Note, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Registration Document, the Summary or the Securities Note.

**Not an offer**

The Prospectus does not constitute an offer to the public of Securities in any jurisdiction other than Italy and Spain, as set out herein, and may not be used for the purposes of an offer to the public or solicitation by anyone, in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Securities to the public or the distribution of the Prospectus in any jurisdiction where any such action is required except as specified herein.

**Restrictions on distribution**

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

**Important U.S. notice**

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

**Information only as at the date hereof**

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

**No post-issuance information**

The Issuer will not be providing any post-issuance information (save as set out herein), except if required by any applicable laws and regulations.

## PART ONE

## SUMMARY

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

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

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

<table>
<tr><th colspan="3">Section A – Introduction and Warnings</th></tr>
<tr><td>A.1</td><td>Introduction and Warnings:</td><td>This Summary should be read as an introduction to the Prospectus. Any decision to invest in Securities should be based on consideration of the Prospectus as a whole by the investor.<br><br>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.<br><br>Civil liability only attaches to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the 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.</td></tr>
<tr><td>A.2</td><td>Consent(s):</td><td>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 "Non-exempt Offer"), the Issuer consents to the use of the Prospectus by the financial intermediary/ies ("Authorised Offeror(s)"), during the offer period and subject to the conditions, as provided as follows:<br><br>(a) Name and address of Authorised Offeror(s): In relation to the offer of the Securities in Italy:<br><br>Credit Suisse (Italy) S.p.A.<br>Via Santa Margherita 3<br>20121<br>Milano<br>Italy<br><br>In relation to the offer of the Securities in Spain:<br><br>Credit Suisse, AG<br>Sucursal en España<br>Calle Ayala, 42<br>CP 28001<br>Madrid<br>España<br><br>(each a "Distributor" and together,</td></tr>
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| | | the "**Distributors**")<br><br>(b) Offer period for which use of the Prospectus is authorised by the Authorised Offeror(s): An offer of the Securities will be made in Italy and Spain during the period from, and including, 22 January 2018 to, and including, 3:00 p.m., Central European Time, on 23 February 2018.<br><br>(c) Conditions to the use of the Prospectus by the Authorised Offeror(s): The Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place.<br><br>**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 Prospectus does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to you by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any dealer has any responsibility or liability for such information provided by that Authorised Offeror.** |
| **Section B – Issuer** | | |
| **B.1** | **Legal and commercial name of the Issuer:** | Credit Suisse AG ("**CS**"), acting through its London Branch (the "**Issuer**"). |
| **B.2** | **Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer:** | CS is a bank and joint stock corporation established under Swiss law and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland. |
| **B.4b** | **Known trends with respect to the Issuer and the industries in which it operates:** | 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.5** | **Description of group and Issuer's position within the group:** | CS is a wholly owned subsidiary of Credit Suisse Group AG. CS has a number of subsidiaries in various jurisdictions. |
| **B.9** | **Profit forecast or estimate:** | Not applicable; no profit forecasts or estimates have been made by the Issuer. |

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| **B.10** | **Qualifications in audit report on historical financial information:** | Not applicable; there were no qualifications in the audit report on historical financial information. |
| **B.12** | **Selected key financial information; no material adverse change and description of significant change in financial position of the Issuer:** | <u>**CS**</u><br><br>The tables below set out summary information relating to CS which is derived from the audited consolidated balance sheets of CS as of 31 December 2016 and 2015, and the related audited consolidated statements of operations for each of the years in the two year period ended 31 December 2016, and the unaudited condensed consolidated balance sheets of CS as of 30 September 2017, and the related unaudited condensed consolidated statements of operations for the three month periods ended 30 September 2017 and 2016. |

| **Summary information – consolidated statements of operations** | | |
|---|---|---|
| *In CHF million* | *Year ended 31 December (audited)* | |
| | *2016* | *2015* |
| Net revenues | 19,802 | 23,211 |
| Provision for credit losses | 216 | 276 |
| Total operating expenses | 22,354 | 25,873 |
| Income/(loss) from continuing operations before taxes | (2,768) | (2,938) |
| Income tax expense | 357 | 439 |
| Income/(loss) from continuing operations | (3,125) | (3,377) |
| Net income/(loss) | (3,125) | (3,377) |
| Net income/(loss) attributable to noncontrolling interests | (6) | (7) |
| Net income/(loss) attributable to shareholders | (3,119) | (3,370) |
| | | |
| *In CHF million* | *Three month period ended 30 September* | |
| | 2017 | 2016 (restated)[1] |
| Net revenues | 4,974 | 5,530 |
| Provision for credit losses | 32 | 55 |
| Total operating expenses | 4,694 | 5,196 |
| Income/(loss) before taxes | 248 | 279 |

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| Net income/(loss) | 116 | 67 |
| Net income/(loss) attributable to shareholders | 111 | 72 |

| Summary information – consolidated balance sheet | | | |
|---|---|---|---|
| | *Nine months ended 30 September 2017* | *31 December 2016 (restated)(1)* | *31 December 2016* |
| Total assets | 791,146 | 822,065 | 802,322 |
| Total liabilities | 745,390 | 778,207 | 760,571 |
| Total shareholders' equity | 44,923 | 42,789 | 40,682 |
| Noncontrolling interests | 833 | 1,069 | 1,069 |
| Total equity | 45,756 | 43,858 | 41,751 |
| Total liabilities and equity | 791,146 | 822,065 | 802,322 |

(1) The statement of operations of CS for the three months ended 30 September 2016 and the balance sheet of CS for the year ended 31 December 2016 have been restated to reflect the fact that the equity stakes in Neue Aargauer Bank AG, BANK-now AG and Swisscard AECS GmbH previously held by Credit Suisse Group AG were transferred to Credit Suisse (Schweiz) AG, which is a wholly owned subsidiary of CS during the six months ended 30 June 2017.

There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2016, except as described in the media release relating to the effects of the enactment of the US Tax Cuts and Jobs Act on CS and its consolidated subsidiaries contained in the Form 6-K Dated 22 December 2017. CS expects to write down the value of its deferred tax assets in the US by approximately CHF 2.3 billion in 4Q17, following the enactment of the US Tax Cuts and Jobs Act. The write-down is a one-time accounting adjustment and has a minimal impact on CS's regulatory capital position.

There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 September 2017, except as described in the media release relating to the enactment of the US Tax Cuts and Jobs Act on CS contained in the Form 6-K Dated 22 December 2017. CS expects to write down the value of its deferred tax assets in the US by approximately CHF 2.3 billion in 4Q17, following the enactment of the US Tax Cuts and Jobs Act. The write-down is a one-time accounting adjustment and has a minimal impact on CS's regulatory capital position.

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| **B.13** | **Recent events particular to the Issuer which are to a material extent relevant to the** | Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. |

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| | **evaluation of the Issuer's solvency:** | |
| **B.14** | **Issuer's position in its corporate group and dependency on other entities within the corporate group:** | See Element B.5 above.<br><br>Not applicable; CS is not dependent upon other members of its group. |
| **B.15** | **Issuer's principal activities:** | CS' principal activities are the provision of financial services in the areas of investment banking, private banking and asset management. |
| **B.16** | **Ownership and control of the Issuer:** | CS is a wholly owned subsidiary of Credit Suisse Group AG. |
| **Section C – Securities** | | |
| **C.1** | **Type and class of securities being offered and security identification number(s):** | The securities (the "**Securities**") are notes.<br><br>The Securities of a Series will be uniquely identified by **ISIN**: XS1739518337; **Common Code**: 173951833 and **Swiss Security Number**: 38364802. |
| **C.2** | **Currency:** | The currency of the Securities will be United States dollar ("**USD**") (the "**Settlement Currency**"). |
| **C.5** | **Description of restrictions on free transferability of the Securities:** | The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.<br><br>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. |
| **C.8** | **Description of rights attached to the securities, ranking of the securities and limitations to rights:** | **Rights:** The Securities will give each holder of Securities (a "**Securityholder**") the right to receive a potential return on the Securities (see Element C.18 below). The Securities will also give each Securityholder the right to vote on certain amendments.<br><br>**Ranking:** The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.<br><br>**Limitation to Rights**:<br><br>• The Issuer may redeem the Securities early for illegality reasons. The Securities may be redeemed early following an event of default. In each such case, the amount payable in respect of each Security on such early redemption will be equal to the |

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| | | Unscheduled Termination Amount, and no other amount shall be payable in respect of each Security on account of interest or otherwise.<br><br>• Following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s), the Issuer may redeem the Securities at the scheduled maturity by payment of the Unscheduled Termination Amount instead of the Redemption Amount, and no other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer.<br><br>Where:<br><br>• **Unscheduled Termination Amount**: in respect of each Security, (a) if the Security is redeemed early for illegality reasons or following an event of default, an amount (which may be greater than or equal to zero) equal to the value of such Security immediately prior to it becoming due and payable following an event of default or, in all other cases, as soon as reasonably practicable following the determination by the Issuer to early redeem the Security, as calculated by the calculation agent using its then prevailing internal models and methodologies or (b) if the Security is redeemed following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s), an amount equal to the *sum* of (i) the Minimum Payment Amount, *plus* (ii) the value of the option component of the Security on the Unscheduled Termination Event Date, *plus* (iii) any interest accrued on the value of the option component from, and including the Unscheduled Termination Event Date to, but excluding, the date on which such Security is redeemed. The option component provides exposure to the underlying asset(s) (if any), the terms of which are fixed on the trade date in order to enable the Issuer to issue such Security at the relevant price and on the relevant terms and will vary depending on the terms of such Security.<br><br>For the avoidance of doubt, if a Security is redeemed following an event of default, the Unscheduled Termination Amount shall not take account of any additional or immediate impact of the event of default itself on the Issuer's creditworthiness (including, but not limited to, an actual or anticipated downgrade in its credit rating).<br><br>• **Unscheduled Termination Event Date**: the date on which an event resulting in the unscheduled redemption of the Securities following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s) has occurred.<br><br>• **Minimum Payment Amount**: 100 per cent. of the Nominal Amount.<br><br>• Subject to the conditions and other restrictions set out in the terms and conditions of the Securities, the Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s), or may redeem the Securities at the scheduled maturity by payment of the |

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| | | Unscheduled Termination Amount instead of the Redemption Amount as described above (and no other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer).<br><br>• 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 the relevant resolution. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders.<br><br>• The Securities are subject to the following events of default: if the Issuer fails to pay any amount due in respect of the Securities within 30 days of the due date, or if any events relating to the insolvency or winding up of the Issuer occur.<br><br>• 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 or transfers all or substantially all of its property.<br><br>• **Governing Law**: The Securities are governed by English law. |
| **C.11** | **Admission to trading:** | Application has been made to admit the Securities to trading on the regulated market of the Luxembourg Stock Exchange. Application will also be made to admit the Securities to trading on the MOT market of Borsa Italiana S.p.A.. |
| **C.15** | **Effect of the underlying instrument(s) on value of investment:** | The value of the Securities and the Redemption Amount payable in respect of Securities being redeemed on the Maturity Date will depend on the performance of the underlying asset(s) on the Averaging Dates.<br><br>See Element C.18 below for details on how the value of the Securities is affected by the value of the underlying asset(s). |
| **C.16** | **Scheduled Maturity Date or Settlement Date:** | The Maturity Date of the Securities shall be 9 March 2021. |
| **C.17** | **Settlement Procedure:** | 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.<br><br>The Securities are cleared through Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*. |
| **C.18** | **Return on Derivative Securities:** | The return on the Securities will derive from:<br><br>• unless the Securities have been previously redeemed or purchased and cancelled, the payment of the Redemption Amount on the scheduled Maturity Date of the Securities.<br><br>**REDEMPTION AMOUNT**<br><br>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer shall redeem the Securities on the Maturity Date. |

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| | | The Issuer shall redeem the Securities on the Maturity Date at the redemption amount (the "**Redemption Amount**"), which shall be an amount rounded down to the nearest transferable unit of the Settlement Currency equal to the *sum* of (a) the *product* of (i) the Redemption Option Percentage and (ii) the Nominal Amount, and (b) the *product* of (i) the Nominal Amount, and (ii) the *product* of (A) the Participation Percentage, and (B) the Performance.<br><br>Where:<br><br>• **Averaging Dates**: in respect of the underlying asset, each Scheduled Trading Day falling in the period commencing on, and including, 26 January 2021 and ending on, and including, 26 February 2021, in each case, subject to adjustment.<br><br>• **Initial Averaging Dates**: in respect of the underlying asset, each Scheduled Trading Day falling in the period commencing on, and including, 26 February 2018 and ending on, and including, 5 March 2018, in each case, subject to adjustment.<br><br>• **Initial Setting Date**: in respect of the underlying asset, 26 February 2018, subject to adjustment.<br><br>• **Level**: in respect of the underlying asset and any day, the level of such underlying asset as calculated and published by the relevant sponsor at the Valuation Time.<br><br>• **Nominal Amount**: USD 1,000.<br><br>• **Participation Percentage**: indicatively 100 per cent. (but which may be greater than 100 per cent.), subject to a minimum of 100 per cent.<br><br>• **Performance**: the greater of (a) the Redemption Floor Percentage and (b) the *difference* between (i) an amount equal to the Redemption Final Price *divided* by the Strike Price, *minus* (ii) the Strike.<br><br>• **Redemption Final Price**: in respect of the underlying asset, the average of the Levels of such underlying asset on each of the Averaging Dates.<br><br>• **Redemption Floor Percentage**: zero per cent.<br><br>• **Redemption Option Percentage**: 100 per cent.<br><br>• **Scheduled Trading Day**: any day (a) on which banks and foreign exchange markets are open for general business in London and New York City and (b) which is a scheduled calculation day with respect to all components included in the underlying asset.<br><br>• **Strike**: 100 per cent. (expressed as a decimal).<br><br>• **Strike Price**: in respect of the underlying asset, the average of the Levels of such underlying asset on each of the Initial Averaging Dates.<br><br>• **Valuation Time**: in respect of the underlying asset, the time with reference to which the relevant sponsor calculates and publishes the level of such underlying asset. |

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| **C.19** | **Final reference price of underlying:** | The Redemption Final Price of the underlying asset shall be determined in respect of the Averaging Dates. |
| **C.20** | **Type of underlying:** | The underlying asset is the Credit Suisse Carry Income Index, a proprietary index sponsored by Credit Suisse International, which measures the performance of notional investments in certain Credit Suisse proprietary indices linked to commodity, equity, interest rate/fixed income and foreign exchange rate asset classes, with periodic rebalancing and fee deductions built in.<br><br>Information on the underlying asset can be found at: the Bloomberg screen page in respect of the Credit Suisse Carry Income Index (Bloomberg ticker: CSRPCI6 <Index>) and at the principal office of Credit Suisse International in London. |
| **Section D – Risks** | | |
| **D.2** | **Key risks that are specific to the Issuer:** | The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make payments owing under the Securities.<br><br>The Issuer is exposed to a variety of risks that could adversely affect its results of operations and/or financial condition, including, among others, those described below:<br><br>All references to the Issuer set out below are describing the consolidated businesses carried out by Credit Suisse Group AG ("**CSG**") and its subsidiaries (including the Issuer) and therefore should also be read as references to Credit Suisse Group AG.<br><br>**Liquidity risk**:<br><br>• The Issuer's liquidity could be impaired if it is unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase.<br><br>• The Issuer's businesses rely significantly on its deposit base for funding.<br><br>• Changes in the Issuer's ratings may adversely affect its business.<br><br>**Market risk**:<br><br>• The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility.<br><br>• The Issuer'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.<br><br>• The Issuer may incur significant losses in the real estate sector.<br><br>• Holding large and concentrated positions may expose the Issuer to large losses.<br><br>• The Issuer's hedging strategies may not prevent losses.<br><br>• Market risk may increase the other risks that the Issuer faces. |

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| | | **Credit risk**:<br><br>• The Issuer may suffer significant losses from its credit exposures.<br><br>• Defaults by one or more large financial institutions could adversely affect financial markets generally and the Issuer specifically.<br><br>• The information that the Issuer uses to manage its credit risk may be inaccurate or incomplete.<br><br>**Risks relating to Credit Suisse Group AG's strategy**:<br><br>• Credit Suisse Group AG and its subsidiaries including the Issuer may not achieve all of the expected benefits of its strategic initiatives.<br><br>• Credit Suisse Group AG has announced a programme to evolve its legal entity structure and cannot predict its final form or potential effects.<br><br>**Risks from estimates and valuations**:<br><br>• Estimates are based upon judgment and available information, and the Issuer's actual results may differ materially from these estimates.<br><br>• To the extent the Issuer's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, the Issuer's ability to make accurate estimates and valuations could be adversely affected.<br><br>**Risks relating to off-balance sheet entities**:<br><br>• If the Issuer 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.<br><br>**Country and currency exchange risk**:<br><br>• Country risks may increase market and credit risks the Issuer faces.<br><br>• The Issuer may face significant losses in emerging markets.<br><br>• Currency fluctuations may adversely affect the Issuer's results of operations.<br><br>**Operational risk**:<br><br>• The Issuer is exposed to a wide variety of operational risks, including information technology risk.<br><br>• The Issuer may suffer losses due to employee misconduct.<br><br>• The Issuer's risk management procedures and policies may not always be effective.<br><br>**Legal and regulatory risks**: |

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| | | • The Issuer's exposure to legal liability is significant.<br><br>• Regulatory changes may adversely affect the Issuer's business and ability to execute its strategic plans.<br><br>• Swiss resolution proceedings and resolution planning requirements may affect the Issuer's shareholders and creditors.<br><br>• Changes in monetary policy are beyond the Issuer's control and difficult to predict.<br><br>• Legal restrictions on its clients may reduce the demand for the Issuer's services.<br><br>**Competition risk**:<br><br>• The Issuer faces intense competition in all financial services markets and for the products and services it offers.<br><br>• The Issuer's competitive position could be harmed if its reputation is damaged.<br><br>• The Issuer must recruit and retain highly skilled employees.<br><br>• The Issuer faces competition from new trading technologies. |
| **D.6** | **Key risks that are specific to the Securities and risk warning that investors may lose value of entire investment or part of it:** | The Securities are subject to the following key risks:<br><br>• The issue price or the offer 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. The issue price or the offer price of the Securities may take into account, where permitted by law, fees, commissions or other amounts relating to the issue, distribution and sale of the Securities, or the provision of introductory services, expenses incurred by the Issuer in creating, documenting and marketing the Securities and amounts relating to the hedging of its obligations under the Securities.<br><br>• The market value of the Securities and the amount payable or deliverable at maturity depend on the performance of the underlying asset(s). The performance of an underlying asset may be subject to sudden and large unpredictable changes over time (known as "volatility"), which may be affected by national or international, financial, political, military or economic events or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of and return on the Securities.<br><br>• The redemption amount payable under the Securities depends on the performance of the underlying asset and is multiplied by a participation percentage which will be no lower than 100 per cent., but may be more than 100 per cent.. If the participation percentage is greater than 100 per cent. investors will benefit more if the underlying asset performs well, than if the participation percentage is fixed at 100 per cent..<br><br>• 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. The price in |

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| | | the market for a Security may be less than its issue price or its offer price and may reflect a commission or a dealer discount, which would further reduce the proceeds you would receive for your Securities.<br><br>• The market value of the Securities will be affected by many factors beyond the control of the Issuer (including, but not limited to, the creditworthiness of the Issuer, the interest rates and yield rates in the market, the volatility of the underlying asset(s) (if any), etc.). Some or all of these factors will influence the value of the Securities in the market.<br><br>• The total size of Securities being issued on the issue date may be greater than the amount subscribed or purchased by investors as the dealer may retain some of the Securities as part of its issuing, market-making and/or trading arrangements or for the purposes of meeting future investor demand. The issue size of the Securities should not be regarded as indicative of the depth or liquidity of the market, or the demand, for the Securities.<br><br>• 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.<br><br>• The participation percentage will not be set by the Issuer until the Initial Setting Date so that the Issuer may take into account the prevailing market conditions at the time of the close of the offer period in order that the Issuer may issue the Securities at the relevant price and on the relevant terms. There is a risk that the final amount set by the Issuer will be other than the indicative amount specified in the relevant Specific Terms, although the final amount will not be less than the minimum amount specified in the relevant Specific Terms or greater than the maximum amount specified in the relevant Specific Terms, as the case may be. Nevertheless, prospective investors must base their investment decision on the indicative amount (and in light of the minimum or maximum amount) so specified, and will not have a right of withdrawal from their purchase obligation when the final amount are set by the Issuer. Investors should note that no supplement will be published in relation to such final setting.<br><br>• In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the Unscheduled Termination Amount payable may be less than the original purchase price and could be as low as zero. No other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer.<br><br>• Following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s), the Issuer may redeem the Securities at the scheduled maturity by payment of the Unscheduled Termination Amount instead of the Redemption Amount (and no other amounts shall be payable in respect of the Securities on account of interest or otherwise following such determination by the Issuer). In such circumstances, the Unscheduled Termination Amount payable will be at least equal to |

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| | | the Minimum Payment Amount, but may be less than what the redemption amount would have been if such event had not occurred.<br><br>• Following early redemption of Securities, investors may not be able to reinvest the redemption proceeds in an investment having a comparable rate of return. Investors in Securities may therefore lose some or all of their investment in such case.<br><br>• Investors will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any underlying asset referenced by the Securities.<br><br>• Investors may be exposed to currency risks because the underlying asset or its components may be denominated in a currency other than the currency in which the Securities are denominated, or the Securities, components of the underlying asset and/or the underlying asset may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease based on fluctuations in those currencies.<br><br>• The Issuer is not obliged to maintain the listing of the Securities. If the regulated market or other market in respect of which the Securities are listed and/or admitted to trading closes, or if the relevant regulated market in respect of which the Securities are admitted to trading is replaced with a market that is not a regulated market, the Issuer may de-list the Securities or may (but is not obliged to) consent to the Securities to be admitted to trading on such replacement market instead.<br><br>• The Issuer may apply any consequential postponement of, or any alternative provisions for, valuation of an underlying asset following certain disruption events in relation to such underlying asset, each of which may have an adverse effect on the value of and return on the Securities.<br><br>• The amount(s) payable on the Securities (whether at maturity or otherwise) will be based on the average of the applicable values of the underlying asset(s) on the specified averaging dates. If the value of the underlying asset(s) dramatically surged on one or more of such averaging dates, the amount payable may be significantly less than it would have been had the amount payable been linked only to the value of the underlying asset(s) on a single date.<br><br>• The rules of a proprietary index may be amended by the relevant index sponsor at any time and the index sponsor has no obligation to take into account the interests of Securityholders when calculating such proprietary index. A proprietary index may also include deductions of certain fees and costs which may negatively affect its performance and consequently adversely affect the value of and return on the Securities.<br><br>• There is no guarantee that the strategy on which the underlying asset is based will be successful or that the underlying asset will outperform any alternative strategy.<br><br>• The underlying asset has an in-built volatility control mechanism and the level of the underlying asset is sensitive to the volatility of |

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| | | its components.<br><br>• The underlying asset is a proprietary index. Proprietary indices are subject to additional risks associated with a limited operating history and a reliance on external data.<br><br>• "Benchmarks" are subject to recent national, international and other regulatory reforms, which may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to a "benchmark".<br><br>• The Issuer may modify the terms and conditions of the Securities without the consent of Securityholders for the purposes of (a) curing any ambiguity or correcting or supplementing any provision if the Issuer determines it to be necessary or desirable, provided that such modification is not prejudicial to the interests of Securityholders, or (b) correcting a manifest error.<br><br>• Subject to the conditions and other restrictions set out in the terms and conditions of the Securities, the Issuer may adjust the terms and conditions of the Securities without the consent of Securityholders following certain events affecting the Issuer's hedging arrangements and/or the underlying asset(s).<br><br>• In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the calculation agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of and return on the Securities.<br><br>• Subject to the conditions and other restrictions set out in the terms and conditions of the Securities, the Issuer may be substituted without the consent of Securityholders in favour of any affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells or transfers all or substantially all of its property.<br><br>• 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, (c) the Issuer (or an affiliate) may have confidential information in relation to the underlying asset(s) or any derivative instruments referencing them, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose, and (d) each of the index sponsor and the index calculation agent of the underlying asset is an affiliate of the Issuer, and in such capacities, may exercise certain discretionary powers in relation to the underlying asset which could have the effect of reducing the returns on and value of the Securities.<br><br>**Investors may lose some or all of their investment if one or more of the following occurs: (a) the Issuer fails and is unable to make payments owing under the Securities, (b) any adjustments are made to the terms and conditions of the Securities following certain events affecting the underlying asset(s) and/or the Issuer's** |

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| | | **hedging arrangements, that result in the amount payable being reduced, or (c) investors sell their Securities prior to maturity in the secondary market at an amount that is less than the initial purchase price.** |
| | **Section E – Other** | |
| **E.2b** | **Reasons for the offer and use of proceeds:** | Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements). |
| **E.3** | **Terms and conditions of the offer:** | An offer of the Securities will be made in Italy and Spain during the period from, and including, 22 January 2018 to, and including, 3:00 p.m., Central European Time, on 23 February 2018. The Offer Period may be discontinued at any time.<br><br>The offer price will be equal to 100 per cent. of the aggregate Nominal Amount.<br><br>The Securities are offered subject to the following conditions:<br><br>The offer of the Securities is conditional on their issue.<br><br>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.<br><br>Payments for the Securities shall be made to the relevant Distributor in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally.<br><br>There is no minimum amount of application.<br><br>Manner in and date on which results of the offer are to be made public: The results of the offer will be published by appropriate means (and also on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/), if available on or around the Issue Date). |
| **E.4** | **Interests material to the issue/offer:** | Fees shall be payable to the Distributors. The Issuer is subject to conflicts of interest between its own interests and those of holders of Securities, as described in Element D.6 above. |
| **E.7** | **Estimated expenses charged to the investor by the Issuer/offeror:** | The dealer will pay a fee to (or to the order of) the Distributors in connection with the offer of up to 1.50 per cent. of the Nominal Amount per Security upfront.<br><br>The offer price payable by the investor and the terms of the Securities take into account such fee and may be more than the market value of the Securities on the issue date.<br><br>The relevant Distributor may also charge a fee payable by investors of up to 1.00 per cent. of the Nominal Amount per Security up front. |

## PART TWO

## SECURITIES NOTE

## RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on each of (a) pages 42 to 50 (pages 66 to 74 of the PDF) of the Annual Report 2016, which is attached as an exhibit to the Form 20-F Dated 24 March 2017 (each as defined in the Registration Document) and (b) pages 82 to 157 (inclusive) of the Base Prospectus (as supplemented by the 31 August 2017 Supplement, the 26 September 2017 Supplement and the 14 November 2017 Supplement (each as defined below)). Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

**Depending on the performance of the Underlying Asset, you may or may not realise at maturity any return in excess of the amount you invest in the Securities.**

***General***

1. Investors may lose some or all of their investment if one or more of the following occurs:

   (a) **the Issuer fails and is unable to make payments owing under the Securities;**

   (b) **investors sell their Securities prior to maturity in the secondary market at an amount that is less than the initial purchase price; or**

   (c) **any adjustments are made to the terms and conditions of the Securities following certain events affecting the Issuer's hedging arrangements and/or the Underlying Asset, that result in the amount payable being reduced.**

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

3. The Securities involve complex risks, which include, among other things, share price risks, credit risks, foreign exchange risks, exchange rate risks, interest rate risks and/or political risks. Before buying the Securities, investors should carefully consider, among other things, (a) the trading price of the Securities, (b) the level and volatility of the Underlying Asset, (c) the depth of the market or liquidity of the Securities, and (d) any related transaction costs. An investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment. Investors should 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 foregoing and their personal circumstances.

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

5. In making calculations and determinations with regard to the Securities, there may be a conflict of interest between the investors and the Calculation Agent and/or the Issuer. Save where otherwise provided, the Calculation Agent and/or the Issuer are each required to act in good faith and in a commercially reasonable manner. However, the Calculation Agent and/or the Issuer do not have any obligations of agency or trust for any investors and have no fiduciary obligations towards them. In particular, each of the Calculation Agent, the Issuer and their affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the Calculation Agent and/or the Issuer may have a negative impact on the value of and return on the Securities.

6. The Issuer and its affiliates are not acting as a fiduciary for, or an adviser to, any investor in respect of the Securities and each investor will be solely responsible and must have sufficient knowledge, experience and professional advice (which may be from third parties) to make its own evaluation of the merits and risks of investment of the Securities. Neither the Issuer, nor any of its affiliates, is an agent of any Securityholder for any purpose.

7. By purchasing the Securities, investors acknowledge that they are not relying on the views or advice of, or any information from, the Issuer or its affiliates in respect of the purchase of the Securities.

8. Each Security's retention of value is dependent on the creditworthiness of the Issuer, which may change over the term of the Securities. The Securities are unsubordinated and unsecured obligations of Credit Suisse AG and rank equally with all other unsubordinated and unsecured obligations of Credit Suisse AG. Securityholders are exposed to the risk that the Issuer could become insolvent and fail to make payments owing by it under the Securities. Credit Suisse AG is a bank and joint stock corporation established under Swiss law and operates under Swiss law. Securities are not deposits, and are not covered by any deposit insurance or protection scheme.

9. Neither the Issuer nor any of its affiliates make any representation as to the performance of the Securities.

10. The levels and basis of taxation on the Securities and any relief from such taxation can change at any time. The levels and basis of taxation on the Securities and availability of any tax relief will depend on the individual circumstances of each investor and any tax regime which is applicable to the Security and/or the investor. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors.

***Risks concerning the exercise of discretion by the Issuer***

The Securities are offered to the investors at the relevant price and on the relevant terms on the basis that the Issuer can effectively hedge and manage its risks and obligations under the Securities. The Issuer may hedge its obligations under the Securities by buying or selling positions in the components of the Index. In addition, the Securities are provided to investors on the basis that there will be no material increase in costs to a hypothetical investor located in England , which are incidental and necessary to acquire, establish, substitute, maintain, unwind or dispose of any transactions in the strategy of a component of the Index (an "**Underlying Component**") or realise, recover or remit the proceeds of any such transactions (the "**Index Component Costs**"), as compared to the costs that are embedded in the calculation of the Index and its Underlying Components as of the Trade Date (the "**Embedded Costs**"). The Embedded Costs are not expected to change, but if the Index Component Costs increase during the term of the Securities, these additional costs may be passed on to investors or the Notes will be redeemed early.

*The terms of the Securities may be adjusted to pass on any material increase in the Index Component Costs to Securityholders or the Securities may be redeemed early*

If a "Materially Increased Costs" Additional Disruption Event occurs, the Issuer may pass on any material increase in Index Component Costs to Securityholders in certain circumstances. The Calculation Agent may determine, acting in good faith and in a commercially reasonable manner, that such "Materially Increased Costs" Additional Disruption Event has occurred where there is material increase in Index Component Costs (which may include, but are not limited to, movements in bid and offer prices of transactions in respect of an Underlying Component, applicable costs incurred from a third party charged in addition to bid and offer prices (such as exchange or brokerage fees or commissions, or other fees charged for transacting in transactions) and other costs that would have a similar effect on a hypothetical investor located in England). In making its determination, the Calculation Agent must have regard to whether there would be a material adverse effect on the future performance of the Index if the Index Component Costs were deducted as part of the calculation of the level of the Index in place of the Embedded Costs, when compared with the performance of the Index where the Embedded Costs are deducted as part of the calculation of the level of the Index, taking into account the expected size and frequency of any future rebalancing and reallocation of

Underlying Components within the Index.

Upon the occurrence of a "Materially Increased Costs" Additional Disruption Event the Issuer may either (i) adjust the terms of the Notes, so as to pass on to Securityholders the increased Index Component Costs to preserve the original economic objective and rationale of the Securities, or (ii) if no such adjustment to the terms of the Notes would achieve a commercially reasonably result, the Issuer may redeem the Securities at the Unscheduled Termination Amount instead of the Redemption Amount on the due date for redemption.

For the purpose of determining whether an adjustment to the terms and conditions of the Securities would produce a commercially reasonable result, the Issuer will take into account the impact of the increased Index Component Costs on the amount of the cost deduction and the overall impact on the value of the Securities.

Any such exercise of a discretionary determination by the Issuer could have a material adverse impact on the value of and return on the Securities. This has the effect of passing from the Issuer to Securityholders the risks of any materially increased Index Component Costs.

*Determinations made by the Issuer in respect of certain other events could have an adverse effect on the value of and return on the Securities*

The adjustment events referred to in risk factor 3(h) (*In certain circumstances, the Issuer may redeem the Securities (other than due to a mandatory Trigger Event or exercise of a Call Option) prior to their scheduled maturity. The Unscheduled Termination Amount payable on such early redemption may be less than the issue price or the purchase price and investors may therefore lose some or all of their investment and may not be able to reinvest the proceeds in another investment offering a comparable return*) in the Base Prospectus include, in respect of the Index, Successor Sponsor or Successor Index, an Index Adjustment Event or an Additional Disruption Event.

(a) *Successor Sponsor or Successor Index*

If an Index is (i) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer (a "**Successor Sponsor**"), or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index. In such event, the Issuer may adjust the terms and conditions of the Securities to account for the effect of such event and to preserve the original economic objective and rationale of the Securities.

If there is a Successor Sponsor or Successor Index in place of the Sponsor or Index, the Issuer may also make such adjustments it deems necessary to account for such successor index and to preserve the original economic objective and rationale of the Securities.

(b) *Index Adjustment Events*

Index Adjustment Events include (i) a permanent cancellation of the Index and no Successor Index exists as of the date of cancellation (an "**Index Cancellation**"), (ii) the determination by the Issuer that the Sponsor (or Successor Sponsor) fails to calculate and announce such Index (an "**Index Disruption**"), (iii) the Sponsor makes (or will make) a material change in the formula for or method of calculating the Index, or otherwise materially modifies such Index (an "**Index Modification**") or (iv) the occurrence of an event that affects the authorisation, registration, recognition, endorsement, equivalence or approval of the Index or the Index Administrator required under any applicable law or regulation, so as to affect the ability of the Issuer, Calculation Agent or any other entity to perform its obligations in respect of the Securities (an "**Administrator/Benchmark Event**").

In the case of an Index Disruption, the Issuer may determine that such an event instead results in a Disrupted Day.

Upon determining that an Index Adjustment Event has occurred in respect of the Index, and such event having a material effect on the Securities, the Issuer may calculate the relevant level of the Index, in lieu of a published level, by reference to the relevant formula for, and

method of, calculation and components which comprised the Index immediately before such event. If the Issuer determines that such adjustment would not achieve a commercially reasonable result, the Issuer may redeem the Securities at the Unscheduled Termination Amount on a day selected by the Issuer in its discretion.

(c) *Additional Disruption Events*

An Additional Disruption Event means a Change in Law (where, broadly, as a result of a change in any applicable law, it has become unlawful or illegal for the Issuer or its affiliates to conduct its hedging arrangements, or will incur a materially increased cost in performing its obligations under the Securities), a Hedging Disruption (being, broadly, an event which impacts upon the ability of the Issuer and/or its affiliates to hedge the risk of the Issuer entering into and performing its obligations under the Securities), Materially Increased Costs (as described above), and/or an Index Disruption Event (where an Index Disruption Event as defined in the Index Description set out in Annex A occurs).

Upon the occurrence of an Additional Disruption Event, the Issuer may determine (i) the appropriate adjustment (if any) to be made to the terms and conditions of the Securities, to account for the effect of such event and to preserve the original economic objective and rationale of the Securities, or (ii) that no adjustments to the terms and conditions would achieve a commercially reasonable result, in which case, the Issuer may redeem the Securities at the Unscheduled Termination Amount instead of the Redemption Amount on the due date for redemption. This has the effect of passing the risks associated with the Additional Disruption Event to Securityholders which will impact the performance of the Securities.

In making any such determinations, the Issuer in such capacity will act in good faith and in a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such adjustments or determinations in accordance with its applicable regulatory obligations.

Where the occurrence of an event or set of circumstances is capable of triggering more than one Index Adjustment Event or Additional Disruption Event, the Issuer may determine which of these will be triggered and which consequences shall be applied.

Please refer to the section headed "Overview of the Potential For Discretionary Determinations by the Issuer" in the Base Prospectus for more information.

***The Securities are linked to a Credit Suisse proprietary index***

The Securities are linked to the Credit Suisse Carry Income Index (the "**Index**"), which is a Credit Suisse proprietary index. The index level is calculated by Credit Suisse International ("**Credit Suisse**") as Index Calculation Agent (as defined under the index rules for the Index (the "**Index Rules**")) and Credit Suisse acting as Index Administrator (as defined under the Index Rules) makes various determinations by reference to the Index Rules. The level of the Index is calculated so as to include certain deductions or adjustments that synthetically reflect factors, which may include transaction and servicing costs and notional fees. Further:

- In the normal course of business, the Issuer and/or its affiliates may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions, in or relating to the Index and/or the components thereof, or may have invested, or may engage in transactions with others relating to any of these items and/or engaged in trading, brokerage and financing activities, as well as providing investment banking and financial advisory services in respect of the Index and/or the components thereof. Accordingly, the Issuer and/or any of its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers in respect of the Index and/or the constituents thereof. Such activity may, or may not, affect the level of the Index and consequently the value of the Securities, but Securityholders should be aware that a conflict of interest may arise.

- The Issuer and the Index Administrator of the Index are affiliated entities and may face a conflict of interest between their obligations as Issuer and Index Administrator, respectively, and their interests in another capacity. In such circumstances, the Issuer has various

discretionary powers in connection with (a) certain determinations and valuations in respect of the Securities, and (b) the composition, the calculation of the level and other determinations in respect of the Index, exercise of any of which could have the effect of reducing the returns on the Securities to the Securityholders thereof. In particular, upon the occurrence of certain events which have an impact on the components of the Index (namely, market disruption events or other events affecting the components of the Index) the Issuer may exercise discretion in adjusting the calculation of the value of the Index or of any affected constituents. No assurance can be given that the resolution of such potential conflicts of interest may not be prejudicial to the interests of Securityholders.

Please see also risk factor 6(h) (*Risks associated with Proprietary Indices*) in the Base Prospectus.

***General risks relating to the Index***

The risk factors included in this section do not purport to be an exhaustive list of the risks related to the Index. Investors should perform their own independent analysis of the risks associated with a particular Index and whether an investment linked to such Index is suitable for him/her in light of his/her experience, objectives, financial position and other relevant circumstances. Investors may also wish to consult with their own legal, regulatory, tax, financial and/or accounting advisors as necessary.

(a) *Historical performance of the Index is not an indication of future performance*

The historical performance of the Index (including as may be determined through hypothetical back-testing) should not be taken as an indication of the future performance of the Index. It is impossible to predict whether the value of the Index will fall or rise during the term of your investment. Past performance is not a guarantee or an indication of future returns.

(b) *Limited operating history*

The Index has a relatively recent launch date and will have limited operating history with no proven track record in achieving the stated investment objective. A longer history of actual performance could provide more reliable information on which to assess the Index and on which to base an investment decision.

(c) *No assurance of performance*

No assurance can be provided that any strategy on which an Index is based will be successful or that the Index will outperform any alternative strategy that might be used in respect of the same or similar investment objectives.

(d) *Notional exposure – no rights or interest over any Index components*

The Index is constructed from "notional" investments and there is no actual portfolio of assets to which any person is entitled or in respect of which any person has any direct or indirect ownership interest. Investors in products which are linked to the Index will not have any rights to any Index components or to receive any dividends or other income generated by such Index components.

(e) *Publication of the Index may be delayed*

The level of the Index, in respect of an Index Calculation Day, is scheduled to be published on the Index Calculation Day immediately following such Index Calculation Day (as described in the Index Description set out in Annex A). In certain circumstances as provided in the Index Rules such publication may be delayed or suspended.

(f) *The Index and its components rely on external data*

The Index and its components rely on data from external providers. While Credit Suisse as Index Administrator intends to use well established and reputable providers, there is a risk that this data may be inaccurate, delayed or not up to date. There is also a risk that while the data is accurate, the data feed to Credit Suisse is impaired. Such impairment to either the data or the data feed could affect the performance or continued operability of the Index. In such event,

Credit Suisse as Index Administrator may decide not to subsequently revise the Index (except where such impairment is caused by Credit Suisse's negligence, fraud or wilful default). There is also a risk to the continuity of the Index in the event that the Index Administrator ceases to exist. In the event that certain external data is not available, Credit Suisse as Index Administrator of the Index may determine the necessary data in order to maintain the continuity of the Index.

(g) *The Index and its components rely on Credit Suisse infrastructure and electronic systems*

The Index and its components rely on Credit Suisse infrastructure and electronic systems (including internal data feeds). Any breakdown or impairment to such infrastructure or electronic systems could affect the performance or continued operability of the Index. Save for certain limited circumstances, the risk of such breakdown or impairment shall be borne by investors in products linked to the Index or its components. Neither Credit Suisse nor its affiliates shall be under any liability to account for any loss or damage incurred by any person in connection with any change to, removal of or operational risks generated by the Index or its strategy, save for certain limited circumstances.

(h) *Amendments to or termination of the Index due to the occurrence of certain events*

Following the occurrence of certain events (as described in the Index Description) Credit Suisse as Index Administrator may, acting in good faith and in a commercially reasonable manner, supplement, amend (in whole or in part), revise, or, if in its opinion this is not possible, terminate the Index.

Following any termination of the Index, the Index Administrator may, but is not obliged to, replace the Index with a successor index, as it deems appropriate in its discretion. The issuer of any financial product linked to the Index will have the discretion to choose whether to treat such successor index as such for the purposes of the product.

A supplement, amendment or revision may lead to a change in the way the Index is calculated or constructed and this may in turn affect the performance of the Index. Such changes may include, without limitation, substitution of an Index component, or changes to the Index objective.

(i) *Discretion of the Index Administrator*

The Index Rules provide that the Index Administrator has the discretion to make certain calculations, determinations, and amendments from time to time (for example, following the occurrence of an Index Disruption Event as described in the Index Description). While such discretion will be exercised in good faith and a commercially reasonable manner, and (where there is a corresponding applicable regulatory obligation) the Index Administrator shall take into account whether fair treatment is achieved by any such calculation, determination and exercise of discretion in accordance with its applicable regulatory obligations, it may be exercised without the consent of holders of investments or products linked to the Index, and may have a material adverse impact on the financial return of such investments or products. To the extent permitted by applicable regulation, the Index Administrator and its affiliates shall be under no liability to account for any loss or damage to any person arising pursuant to its exercise of or omission to exercise any such discretion except where such loss or damage is caused by its negligence, fraud or wilful default.

(j) *Consequences of an Index Disruption Event*

Where, in the determination of the Index Administrator, an Index Disruption Event which constitutes a General Disruption Event (as defined in the Index Description set out in Annex A) has occurred or is existing and subsisting in respect of any Index Calculation Day, the Index Administrator may (i) suspend the calculation and publication of the Index value, and/or (ii) determine the Index value on the basis of estimated or adjusted data and publish an estimated level of the Index value, and/or (iii) take any other action, including implementing a temporary change of weights of Index components. Any such action could have a material adverse impact on the value of the Index (and therefore any products linked to the Index).

Where, in the determination of the Index Administrator any other Index Disruption Event has occurred the Index Administrator may, acting in good faith and in a commercially reasonable manner, supplement, amend or revise the Index or, if in its opinion this is not possible, terminate the Index.

(k) *Economic proposition in relation to the right to supplement, amend or revise or, if in the opinion of the Index Administrator this is not possible, terminate the Index (including substitution of Index components)*

The right of the Index Administrator to exercise its discretion to supplement, amend or revise the Index, including the right to substitute Index components, is required to ensure the notional investments entered by the Index remain a viable investment proposition for a hypothetical investor seeking to replicate the strategy adopted by the Index.

Where a supplement, amendment or revision of the Index or substitution of an Index component does not ensure the notional investments entered by the Index remain a viable investment proposition for a hypothetical investor seeking to replicate the Index strategy, or the Index Administrator needs to terminate the Index in light of its own risk management requirements, the Index Administrator has the right to exercise its discretion to terminate the Index.

(l) *Value of Index components may be influenced by asymmetries in demand and supply*

The value of each Index component may be influenced by external factors related to the demand and supply for exposure. For example, any purchases or disposals of the constituent assets underlying an Index component may be contingent upon there being a market for such assets. In cases where there is not a liquid market, or where there is only a limited market, the prices at which such assets may be purchased or sold may vary significantly (such variation between the prices at which the asset can be bought or sold is referred to as a "bid-offer spread"). If trying to dispose of an asset in a limited market, the effect of the bid-offer spread may be that the value realised on a disposal is markedly less than the previously reported value of the asset. This will have an impact on the value of the Index component and, consequently, the value of the Index. This is one example of external factors which may affect the supply and demand for assets underlying a component of the Index, but other factors may also exist which may negatively impact the performance of the Index.

***Strategy Specific Risks***

(a) *The Index value may be reduced by notional fees and costs*

Notional fees and costs are included within the relevant Index methodology and will reduce the value of the Index. In addition to the Volatility Control Index Fee (as described in the Index Description) charged by the Index Administrator and notional fees to reflect the costs of maintaining, entering into or unwinding notional positions in the index components may be deducted from the Index value. The deduction of such fees and costs will have the effect of materially reducing the Index value and therefore, the value of and return on any product linked to the Index.

Investors should note that additional fees may be charged at the product level by the product manufacturer and/or distributor.

(b) *Notional fees and costs included in the Index may be greater than the actual costs incurred in hedging transactions of the Index Administrator or its affiliates*

The notional fees and costs reflected in the calculation of the Index are calculated by reference to pre-determined rates and do not necessarily reflect the actual or realised costs that would be incurred by a direct investor in the relevant Index components, which could be larger or smaller from time to time. The Index Administrator (or its affiliates) may benefit if the notional fees or costs embedded in the Index exceed the actual costs that may be incurred by the Index Administrator (or its affiliates) in hedging transactions that may be entered into in respect of the Index.

(c) *Currency risk*

Investors in products linked to the Index or components of the Index may be exposed to currency risks specific to the Index because (i) the relevant Index components are denominated or priced in currencies other than the Index's base currency, or (ii) the Index and/or its Index components may be denominated in currencies other than the currency of the country in which the investor is resident. The Index value (including its relative value to an investor) may therefore increase or decrease as a result of fluctuations in those currencies.

Furthermore, each Index component denominated in a currency other than the base currency of the Index is formulaically hedged against currency fluctuations of the Index's base currency. However, such hedging may reduce but not eliminate the foreign exchange risk and the Index shall be subject to longer term foreign exchange fluctuations between such currencies and the base currency.

(d) *Risk associated with leverage*

The Index provides leveraged exposure to certain components of the indices underlying the Index. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts notionally invested, they will generally also increase the risk of loss. If the weight allocated to certain components of the indices underlying the Index is greater than 100 per cent, the relevant index will participate disproportionately in the performance of such components, and any loss in the value of such components will result in a correspondingly greater loss in the value of such index.

(e) *The Index is sensitive to the volatility of the Base Index Components*

The Index is comprised of a notional investment in eleven indices, which are each notionally invested in one of four asset classes (commodities, equities, foreign exchange rates ("**FX**") and interest rates/fixed income) (the "**Base Index Components**") and a hypothetical non-interest bearing cash deposit (the "**Cash Component**"). The amount of the Index which is notionally invested in the Base Index Components and the Cash Component will vary depending on the application of the volatility control mechanism. The volatility control mechanism feature of the Index is intended to keep the overall volatility of the Index at or below a constant target level. If the overall volatility measured increases above the target level, the exposure of the Index to the Base Index Components will be reduced proportionately. Therefore, the Index may underperform relative to the Base Index Components (without any volatility control) where high volatility is followed by the positive performance of the Base Index Components; in such case, an investor would not benefit as greatly as an investor who had a direct exposure to the Base Index Components because the volatility control mechanism is likely to have reduced the exposure to the Base Index Components to a percentage below 100% (with the remainder invested in the Cash Component).

(f) *Volatility target*

The Index targets a stated volatility for the Index. However, the volatility control mechanism for rebalancing the Index is based on historical performance data which may not be indicative of future performance. As a result, the actual volatility of the Index may be substantially greater or lesser than the stated volatility target.

(g) *Volatility is observed with a lag*

The "**realised volatility**" (being the volatility that is actually observed over time) of the Base Index Components is measured a certain number of Index Calculation Days in arrears, as specified in the Index Description. This lag results in a delay in the adjustment of the exposure of the Index to the Base Index Components. In the event that there is a large movement in the total value of the Base Index Components, the Index will not take into account such values until two Index Calculation Days later, meaning that the Index could be exposed to a spike in volatility before any rebalancing that occurs due to the application of the volatility control mechanism, which may involve greater losses for investors.

(h) *Measure of volatility*

The measure of volatility in relation to the Index as set out in the Index Description is not the only way to measure volatility. For the purposes of assessing volatility, different time periods could have been used. Moreover, it is possible to measure expected volatility for the future (known as "**implied volatility**"). Using any of: (i) implied volatility; (ii) a combination of implied and realised volatility and/or; (iii) a different time period(s) for measuring realised volatility could each produce a different (and potentially better) performance of the Index.

(i) *Potential conflicts of interest*

Credit Suisse expects to engage in trading activities related to the components of the Index and the Base Index Components during the course of its normal business for both its proprietary accounts and/or in client related transactions. Such trading activities may involve the sale or purchase of instruments referencing the relevant components of the Index or Base Index Components. These trading activities may present a conflict between the interests of investors with exposure to the Index and Credit Suisse's own interests. These trading activities, if they have an influence on the value of the components of the Index or Base Index Components may in turn have an adverse effect on the performance of the Index.

Credit Suisse may hedge its obligations under any investments linked to the Index by buying or selling shares, bonds or derivative securities linked to the components of the Index or Base Index Components. Although they are not expected to, any of these hedging activities may adversely affect the market price of such securities and, therefore, the performance of the Index. It is possible that Credit Suisse could receive substantial returns from these hedging activities while the performance of the Index declines.

Credit Suisse may also engage in trading instruments referencing or linked to the components of the Index or Base Index Components on a regular basis as part of their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities could adversely affect the market price of such instruments and therefore the performance of the Index.

Credit Suisse may have and in the future may publish research reports with respect to the components of the Index or Base Index Components or asset classes which may express opinions or provide recommendations that either support or are inconsistent with investments into the Index, the Base Index Components or their respective components. This research should not be viewed as a recommendation or endorsement of the Index in any way and investors must make their own independent investigation of the merits of an investment linked to the Index.

Credit Suisse acts as Index Calculation Agent and determines the Index value, and Credit Suisse may also serve as the calculation agent for investment products linked to the Index, the Base Index Components or their respective components. Credit Suisse will, among other things, decide valuation, final settlement amount and make any other relevant calculations or determinations in respect of the investment products.

With respect to any of the activities described above, except as required by applicable law and regulation (and unless caused by Credit Suisse's negligence, fraud or wilful default), Credit Suisse in its capacities as Index Administrator and Index Calculation Agent shall not be liable to any investor in products linked to the Index.

(j) *Risks associated with Base Index Components that are equity indices*

*Factors affecting the performance of Base Index Components that are equity indices may adversely affect the Index value*

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

(k) *Risks associated with Base Index Components that are commodity indices*

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

Trading in commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in interest and exchange rates. Commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of speculators and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

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

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

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant commodity, and therefore sharply reduce the value of the Index to the extent that it is allocated to Base Index Components that relate to commodities.

(ii) *Suspension or disruptions of market trading in commodities and related futures contracts may adversely affect the values of Base Index Components that relate to commodities*

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

(iii) *Legal and regulatory changes*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of Credit Suisse and/or any of its affiliates to hedge the obligations under any investment products linked to the Index. Such legal and regulatory changes could lead to the Index being supplemented, amended, revised or terminated in accordance with the Index Rules. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of Base Index Components that relate to commodities.

(iv) *Future prices of commodities that are different relative to their current prices may impact the values of Base Index Components that relate to commodities*

Commodity contracts have a predetermined expiration date – a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result

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

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

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

The value of a Base Index Component that relates to commodities is, therefore, sensitive to fluctuations in expected future prices of the relevant commodities contracts comprising such commodity index. An index component that relates to commodities may outperform or underperform its underlying commodities. In a "contango" market, this could result in losses from rolling into another commodity futures contract which, in turn, could reduce the level of such index component that relates to commodities and, therefore, have an adverse effect on the Index values.

(v) *A Base Index Component that relates to commodities may include contracts that are not traded on regulated futures exchanges*

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

(vi) *A change in the composition or discontinuance of a Base Index Component that relates to commodities could have a negative impact on the value of the Index*

The sponsor of a Base Index Component that is a commodity index can add, delete or substitute the components of such commodity index or make other methodological changes that could change the level of one or more components. The changing of components of any commodity index may affect the level of such commodity index, as a newly added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the Index value. The sponsor of a commodity index may also alter, discontinue or suspend calculation or dissemination of

such commodity index. The sponsor of a commodity index will have no involvement in the Index and will have no obligation to any investor in investment products linked to the Index. The sponsor of a commodity index may take any actions in respect of such commodity index without regard to the interests of investors in investment products linked to the Index, and any of these actions could adversely affect the value of the Index.

(l) *Risks associated with Base Index Components which relate to emerging market currencies*

The Base Index Components that are related to emerging market currencies have exposure to emerging markets. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging market investments usually entail a greater degree of risk such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk that any of these scenarios will occur and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

(i) *Event Risk*

On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, the performance of Base Index Components that relate to emerging market currencies can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which such component is issued or traded.

(ii) *Political Risk*

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

(iii) *Economic Risk*

The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from

which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign investors. 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 Base Index Component linked to currencies in a particular market.

(iv) *Credit Risk*

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

(v) *Currency Risk*

A Base Index Component may be denominated in a currency other than the Base Currency. The weakening of a country's currency relative to the Base Currency will negatively affect the value (in the Base Currency) of an instrument denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

(vi) *Market Risk*

The emerging equity and debt markets of many emerging market 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 instruments that relate to emerging markets, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

(vii) *Regulatory/Legal Risk*

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

(m) *Risks associated with Base Index Components which are foreign exchange rate indices*

(i) *Factors affecting the performance of foreign exchange rates may adversely affect the value of and return on Base Index Components which are exposed to foreign exchange risks*

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

(ii) *Currency exchange risks are likely to be heightened in periods of financial uncertainty*

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

(n) *Risks associated with Base Index Components which are interest rate indices*

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

(o) *Risks associated with systematic investment strategies*

The Index and the Base Index Components are systematic investment strategies (each a "**Proprietary Index**"), composed, sponsored or calculated by a third party (the "**Index Creator**"). Risks associated with a Proprietary Index include the following:

(i) *The rules (including in relation to calculations) of the Proprietary Index may be amended or adjusted by the Index Creator. No assurance can be given that any such amendment or adjustment would not be prejudicial to the Index*

The Index Creator has no obligation to take into account the interests of the purchasers of instruments linked to the Proprietary Index when determining, composing or calculating such Proprietary Index and the Index Creator can at any time, and in its sole discretion, modify or change the method of calculating such Proprietary Index or cease its calculation, publication or dissemination. Accordingly, actions and omissions of the Index Creator may affect the value of such Proprietary Index. The Index Creator is under no obligation to continue the calculation, publication and dissemination of a Proprietary Index.

(ii) *Publication of Proprietary Index values*

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

(iii) *Deductions or adjustments included in the Proprietary Index*

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

(p) *Specific risks associated with the Base Index Components*

(i) *Risks associated with the Credit Suisse Custom 24F Alpha Excess Return Index*

To capture the commodity congestion/liquidity premium, this index strategy will roll its commodities exposure from the front contract to the next expiring contract ahead of the Bloomberg Commodity Index roll period, resulting in temporary spread positions each month (long positions in the second contract versus short positions in the front contract). Such spread positions can potentially lead to some losses if the front contracts outperform the second contracts.

(ii) *Risks associated with the Credit Suisse 66I Alpha Excess Return Index*

To capture the commodity seasonality premium, this index strategy will roll its commodities exposure twice a year only, into pre-defined contracts with longer maturities, resulting in temporary spread positions for various commodities during different periods throughout the year (long positions in longer maturity contracts versus short positions in front contracts). Such spread positions can potentially lead to some losses if the front contracts outperform the contracts with longer maturities.

(iii) *Risks associated with the Credit Suisse Backwardation Long/Short Excess Return Index*

To capture the commodity carry premium, this index strategy takes long and short positions in different commodities. Such spread positions between commodities can potentially lead to some losses if the short commodity positions outperform the long commodity positions.

(iv) *Risks associated with the Credit Suisse LAB Put Write Index – Swap Series*

By selling put options on a systematic basis, this index strategy is giving away some potential upside beyond the strike of the put options while keeping the full downside risk of the S&P 500 Index. This can lead to significant losses in the case of a sudden and sharp drop in the level of the S&P 500 Index.

(v) *Risks associated with the Credit Suisse Short VIX 1% USD Index Excess Return*

To capture the equity volatility premium, this index strategy takes short positions in futures linked to the volatility of the S&P 500 Index (as represented by the VIX Index), which can lead to significant losses in the case of a sudden increase in the volatility of the S&P 500 Index.

(vi) *Risks associated with the Credit Suisse Short Variance Swap ER Flagship Index*

To capture the equity volatility premium, this index strategy takes short positions in the variance of the S&P 500 Index, which can lead to significant losses in the case of a sudden increase in the volatility of the S&P 500 Index.

(vii) *Risks associated with the Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER*

To capture the dividend risk premium, this index strategy takes a long position in dividend futures, which can lead to significant losses in the case of a decrease in forecasted dividends.

(viii) *Risks associated with the Credit Suisse Interest Rates Dynamic Carry 12 Global Index*

To capture interest rate term premium, this index strategy takes long and short positions in interest rate futures, which can lead to significant losses in the case of adverse interest rate movements.

(ix) *Risks associated with the Credit Suisse US Rates VRP Weekly Roll 10x Index*

To capture the interest rate volatility premium, this index strategy takes short positions in the volatility of interest rates (via swaptions), which can lead to significant losses if the realised volatility of the underlying interest rate swaps is higher than the level implied within the price of the swaptions sold.

(x) *Risks associated with the Credit Suisse FX Carry EM15 Index Excess Return*

To capture the currency carry premium, this index strategy takes long and short positions in different emerging market currencies. Such spread positions between currencies can potentially lead to some losses if the short currency positions outperform the long currency positions.

(xi) *Risks associated with the Credit Suisse FX EM 2 Excess Return Index*

To capture the currency carry premium, this index strategy takes long positions in emerging market currencies and short positions in G10 currencies. Such spread positions between emerging market and G10 currencies can potentially lead to some losses if the short G10 currency positions outperform the long emerging market currency

positions.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with (a) the Base Prospectus, (b) the supplement to the Base Prospectus dated 31 August 2017 (the "**31 August 2017 Supplement**"), (c) the supplement to the Base Prospectus dated 26 September 2017 (the "**26 September 2017 Supplement**"), the supplement to the Base Prospectus dated 14 November 2017 (the "**14 November 2017 Supplement**") and the supplement to the Base Prospectus dated 21 November 2017 (the "**21 November 2017 Supplement**"), except the documents incorporated by reference therein and to the extent of the information to be incorporated by reference as provided below, which shall be deemed to be incorporated by reference in, and form part of, this Prospectus, save that any statement contained in the Base Prospectus, the 31 August 2017 Supplement, the 26 September 2017 Supplement, the 14 November 2017 Supplement or the 21 November 2017 Supplement shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

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

| | **Page reference** |
|---|---|
| **Base Prospectus** | |
| Risk Factors | 82 to 157 |
| Use of Proceeds | 178 |
| Overview of the Potential for Discretionary Determinations by the Issuer | 179 to 188 |
| General Terms and Conditions of Notes (the "**General Conditions**") | 191 to 222 |
| Product Conditions | 290 to 338 |
| Asset Terms for Equity Index-linked Securities (the "**Asset Terms**") | 355 to 370 |
| Clearing Arrangements | 610 to 611 |
| Taxation | 620 to 666 |
| Selling Restrictions | 668 to 676 |
| **31 August 2017 Supplement** | |
| Amendments to the section entitled "Risk Factors in each Prospectus | 6 to 12 |
| Amendment to the sub-section entitled "United States Tax Considerations for Investors" in the section entitled "Taxation" in each Prospectus | 15 to 17 |
| **26 September 2017 Supplement** | |
| Amendments to the section entitled "Risk Factors" in each Prospectus | 2 |
| **14 November 2017 Supplement** | |
| Amendments to each Prospectus to reflect the change in the Moody's entity providing the ratings of each Issuer with effect from 10 October 2017 | 6 |
| Amendment to the section entitled "Risk Factors" in each Prospectus | 6 to 7 |

| 21 November 2017 Supplement | |
|---|---|
| Amendment to the section entitled "Taxation" in each Prospectus | 3 to 4 |

For the avoidance of doubt, any information not incorporated by reference from the Base Prospectus, the 31 August 2017 Supplement, the 26 September 2017 Supplement, the 14 November 2017 Supplement and the 21 November 2017 Supplement is not relevant for the investor in respect of the Securities or is otherwise covered elsewhere in this Prospectus.

Copies of the Prospectus (consisting of this Summary and Securities Note and the Registration Document) and the documents incorporated by reference are available on the website of the Issuer (https://derivative.credit-suisse.com/uk/gb/en/) and the Luxembourg Stock Exchange (www.bourse.lu).

Investors who have not previously reviewed the information incorporated by reference in this Prospectus from the Base Prospectus, the 31 August 2017 Supplement, the 26 September 2017 Supplement, the 14 November 2017 Supplement, the 21 November 2017 Supplement and the Registration Document should do so in connection with their evaluation of the Securities.

Terms defined in the General Conditions, the Product Conditions or the Asset Terms shall have the same meaning herein unless otherwise defined in the Specific Terms (as defined below).

In the event of any inconsistency between (a) the Specific Terms and (b) the General Conditions, the Product Conditions or the Asset Terms, the Specific Terms will prevail.

## SPECIFIC TERMS

The Securities will be subject to the General Conditions, the Product Conditions and the Asset Terms (in each case, as defined and incorporated by reference in "Documents Incorporated by Reference" above and as set out in the Base Prospectus (as incorporated by reference herein)), and also to the following provisions (the "**Specific Terms**"). Each reference in such General Conditions, Product Conditions and Asset Terms to the "Final Terms" shall be deemed to be deleted and replaced by the "Specific Terms". For the avoidance of doubt, the seventh paragraph of the General Conditions (on page 192 of the Base Prospectus) applies with regard to the order of priority of the above terms.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Securities are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA Retail Investor**") other than in Spain and Italy. For these purposes, an EEA Retail Investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to EEA Retail Investors will be available other than in Spain and Italy and therefore offering or selling the Securities or otherwise making them available to any EEA Retail Investor other than in Spain and Italy may be unlawful under the PRIIPs Regulation.

## PART A – CONTRACTUAL TERMS

| | | | |
|---|---|---|---|
| 1. | Series Number: | | SPLB2017-860 |
| 2. | Tranche Number: | | Not Applicable |
| 3. | Applicable General Terms and Conditions: | | General Note Conditions |
| 4. | Type of Security: | | Not Applicable |
| 5. | Settlement Currency: | | United States dollar ("**USD**") |
| 6. | Institutional: | | Not Applicable |
| **PROVISIONS RELATING TO NOTES AND CERTIFICATES** | | | Applicable |
| 7. | Aggregate Nominal Amount: | | |
| | (i) | Series: | Up to USD 500,000,000 |
| | (ii) | Tranche: | Not Applicable |
| 8. | Issue Price: | | 100 per cent. of the Aggregate Nominal Amount |
| 9. | Nominal Amount: | | USD 1,000 |
| 10. | Minimum Transferable Number of Securities: | | One Security |
| 11. | Transferable Number of Securities: | | Not Applicable |
| 12. | Minimum Trading Lot: | | Not Applicable |
| 13. | Issue Date: | | 9 March 2018 |
| 14. | Maturity Date: | | 9 March 2021 |

| | | |
|---|---|---|
| 15. | Coupon Basis: | Not Applicable |
| 16. | Redemption/Payment Basis: | Equity Index-linked |
| 17. | Put/Call Options: | Not Applicable |

| | |
|---|---|
| **PROVISIONS RELATING TO WARRANTS** | Not Applicable |

*(Paragraphs 18 to 28 have been intentionally deleted)*

**PROVISIONS RELATING TO COUPON AMOUNTS**

| | | |
|---|---|---|
| 29. | Fixed Rate Provisions (General Note Condition 4): | Not Applicable |
| 30. | Floating Rate Provisions (General Note Condition 4): | Not Applicable |
| 31. | Premium Provisions (General Note Condition 4): | Not Applicable |
| 32. | Other Coupon Provisions (Product Condition 2): | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION/SETTLEMENT**

| | | | | |
|---|---|---|---|---|
| 33. | Redemption Amount (Product Condition 3): | | | Single Factor Call, save that "Put Performance" shall be removed from the formula as expressed in the revised formula below: $$(\mathrm{ROP} \times \mathrm{NA}) + [\mathrm{NA} \times (\mathrm{PP} \times \mathrm{Performance})]$$ |
| | (i) | Redemption Option Percentage: | | 100 per cent. |
| | (ii) | Participation Percentage: | | Indicatively 100 per cent. (but which may be greater than 100 per cent.), to be determined on the Initial Setting Date |
| | | - | Minimum Participation Percentage: | 100 per cent. |
| | (iii) | Redemption Amount Cap: | | Not Applicable |
| | (iv) | Redemption Floor Percentage: | | Zero per cent. |
| | | - | Minimum Redemption Floor Percentage: | Not Applicable |
| | (v) | Redemption FX Adjustment: | | Not Applicable |
| | (vi) | Lock-in Call: | | Not Applicable |
| | (vii) | Single Lock-in Asian Call/Basket Lock-in Asian Call: | | Not Applicable |
| | (viii) | Basket Lock-in Redemption/Single Factor Lock-in Redemption: | | Not Applicable |

| | | |
|---|---|---|
| (ix) | Booster Call: | Not Applicable |
| (x) | Single Factor Knock-in Call: | Not Applicable |
| (xi) | Basket Knock-in Call: | Not Applicable |
| (xii) | Put Performance: | Not Applicable |
| (xiii) | Best Capped Basket: | Not Applicable |
| (xiv) | Top Rank Basket: | Not Applicable |
| (xv) | Knock-in Provisions: | Not Applicable |
| (xvi) | Tranched Knock-out/Tranched Knock-out Call: | Not Applicable |
| (xvii) | Strike: | 100 per cent. (expressed as a decimal) |
| (xviii) | Performance Cap: | Not Applicable |
| (xix) | Fee Calculation Factor Deduction: | Not Applicable |
| (xx) | Performance Fee Deduction | Not Applicable |

| | | |
|---|---|---|
| 34. | Initial Setting Date: | 26 February 2018 |
| 35. | Initial Averaging Dates: | Each Scheduled Trading Day falling in the period commencing on, and including, 26 February 2018 and ending on, and including, 5 March 2018 |
| 36. | Final Fixing Date: | Not Applicable |
| 37. | Averaging Dates: | Each Scheduled Trading Day falling in the period commencing on, and including, 26 January 2021 and ending on, and including, 26 February 2021 |
| 38. | Final Price: | Not Applicable |
| 39. | Redemption Final Price: | In respect of the Underlying Asset, the average of the Levels (with regard to the Valuation Time) of such Underlying Asset on each of the Averaging Dates |
| | (i) Redemption Final Price Cap: | Not Applicable |
| | (ii) Redemption Final Price Floor: | Not Applicable |
| 40. | Strike Price: | In respect of the Underlying Asset, the average of the Levels (with regard to the Valuation Time) of such Underlying Asset on each of the Initial Averaging Dates |
| | (i) Strike Cap: | Not Applicable |
| | (ii) Strike Floor: | Not Applicable |
| 41. | Trigger Redemption (Product Condition 3(c)): | Not Applicable |
| 42. | Details relating to Instalment Securities: | Not Applicable |
| 43. | Physical Settlement Provisions | Not Applicable |

| | | |
|---|---|---|
| | (Product Condition 4): | |
| 44. | Put Option: | Not Applicable |
| 45. | Call Option: | Not Applicable |
| 46. | Unscheduled Termination Amount: | |
| | (i) Unscheduled Termination at Par: | Not Applicable |
| | (ii) Minimum Payment Amount: | Applicable – 100 per cent. of the Nominal Amount |
| | (iii) Deduction for Hedge Costs: | Not Applicable |
| 47. | Payment Disruption: | Not Applicable |
| 48. | Interest and Currency Rate Additional Disruption Event: | Not Applicable |

**UNDERLYING ASSET(S)**

| | | |
|---|---|---|
| 49. | List of Underlying Asset(s): | Applicable |

| i | Underlying Asset$_i$ | Weight$_i$ | Composite$_i$ |
|---|---|---|---|
| 1. | Credit Suisse Carry Income Index (the "**Index**") | Not Applicable | Not Applicable |

| | | |
|---|---|---|
| 50. | Equity-linked Securities: | Not Applicable |
| 51. | Equity Index-linked Securities: | Applicable, as amended in accordance with the Schedule hereto |
| | Single Index, Index Basket or Multi-Asset Basket: | Single Index |
| | (i) Index: | Credit Suisse Carry Income Index<br><br>See also Annex A (*Index Description*), Annex B (*Index Disclaimer*) to these Specific Terms and the Appendix (*Index Rules*) |
| | (ii) Type of Index: | Proprietary Index |
| | (iii) Bloomberg code(s): | CSRPCI6 <Index> |
| | (iv) Information Source: | Bloomberg |
| | (v) Required Exchanges: | Not Applicable |
| | (vi) Related Exchange: | Not Applicable |
| | (vii) Disruption Threshold: | Not Applicable |
| | (viii) Maximum Days of Disruption: | Five Scheduled Trading Days |
| | (ix) Adjustment basis for Index Basket and Reference Dates: | Not Applicable |
| | (x) Adjustment basis for Single Index and Averaging Reference Dates: | Applicable |

| | | |
|---|---|---|
| (a) | Omission: | Not Applicable |
| (b) | Postponement: | Applicable |
| (c) | Modified Postponement: | Not Applicable |
| (xi) | Trade Date: | 23 February 2018 |
| (xii) | Jurisdictional Event: | Not Applicable |
| (xiii) | Jurisdictional Event Jurisdiction(s): | Not Applicable |
| (xiv) | Additional Disruption Events: | Applicable, as amended in accordance with the Schedule hereto |
| (a) | Change in law: | Change in Law Option 1 Applicable |
| (b) | Foreign Ownership Event: | Not Applicable |
| (c) | FX Disruption: | Not Applicable |
| (d) | Hedging Disruption: | Applicable |
| (e) | Increased Cost of Hedging: | Not Applicable |
| 52. | Commodity-linked Securities: | Not Applicable |
| 53. | Commodity Index-linked Securities: | Not Applicable |
| 54. | ETF-linked Securities: | Not Applicable |
| 55. | FX-linked Securities: | Not Applicable |
| 56. | FX Index-linked Securities: | Not Applicable |
| 57. | Inflation Index-linked Securities: | Not Applicable |
| 58. | Interest Rate Index-linked Securities: | Not Applicable |
| 59. | Cash Index-linked Securities: | Not Applicable |
| 60. | Multi-Asset Basket-linked Securities: | Not Applicable |
| 61. | Fund-linked Securities: | Not Applicable |
| 62. | Valuation Time: | As determined in accordance with Equity Index-linked Securities Asset Term 1 |

**GENERAL PROVISIONS**

| | | | |
|---|---|---|---|
| 63. | (i) | Form of Securities: | Registered Securities |
| | (ii) | Global Security: | Applicable |
| | (iii) | Held under the NSS: | Not Applicable |
| | (iv) | Intended to be held in a manner which would allow | No |

| | | |
|---|---|---|
| | Eurosystem eligibility: | |
| | (v) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository: | Not Applicable |
| 64. | Financial Centre(s): | London and, for the avoidance of doubt, New York City |
| 65. | Business Centre(s): | Not Applicable |
| 66. | Listing and Admission to Trading: | Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and also listed on and admitted to trading on the MOT market of Borsa Italiana S.p.A. with effect from, on or around the Issue Date, provided, however, no assurance can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date or any specific date thereafter) |
| 67. | Security Codes and Ticker Symbols: | |
| | ISIN: | XS1739518337 |
| | Common Code: | 173951833 |
| | Swiss Security Number: | 38364802 |
| | Telekurs Ticker: | Not Applicable |
| | WKN Number: | Not Applicable |
| 68. | Clearing and Trading: | |
| | Clearing System(s) and any relevant identification number(s): | Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* |
| 69. | Delivery: | Delivery against payment |
| 70. | Agents: | |
| | Calculation Agent: | Credit Suisse International<br>One Cabot Square<br>London E14 4QJ |
| | Fiscal Agent: | The Bank of New York Mellon, acting through its London Branch<br>One Canada Square<br>London E14 5AL |
| | Paying Agent(s): | The Bank of New York Mellon, acting through its London Branch<br>One Canada Square<br>London E14 5AL |
| | Additional Agents: | Applicable |
| | Transfer Agent: | The Bank of New York Mellon S.A./N.V., Luxembourg Branch |

| | | |
|---|---|---|
| | | Vertigo Building – Polaris<br>2-4 rue Eugene Ruppert<br>L-2453 Luxembourg |
| | Registrar: | The Bank of New York Mellon S.A./N.V., Luxembourg Branch<br>Vertigo Building – Polaris<br>2-4 rue Eugene Ruppert<br>L-2453 Luxembourg |
| 71. | Dealer(s): | Credit Suisse International |
| 72. | Specified newspaper for the purposes of notices to Securityholders: | Not Applicable |
| 73. | 871(m) Securities: | The Issuer has determined that the Securities (without regard to any other transactions) should not be treated as transactions that are subject to U.S. withholding tax under section 871(m) |
| 74. | Additional Provisions: | Additional Provisions for Notes listed on Borsa Italiana S.p.A: Applicable<br><br>Assignment to Qualified Investors only after allocation to public: Not Applicable<br><br>Record date for Notes listed on Borsa Italiana S.p.A.: The Clearing System Business Day immediately prior to the Maturity Date |

## PART B – OTHER INFORMATION

### Terms and Conditions of the Offer

| | | |
|---|---|---|
| 1. | Offer Price: | The Offer Price will be equal to the Issue Price.<br><br>Up to 1.50 per cent. of the Nominal Amount per Security is represented by a commission payable to the relevant Distributor.<br><br>The relevant Distributor may also charge a fee payable by investors of up to 1.00 per cent. of the Nominal Amount per Security up front.<br><br>See item 11 below for information on applicable fees. |
| 2. | Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | Up to USD 500,000,000 (the "**Maximum Amount of the Offer**").<br><br>To be determined on the basis of the demand for the Securities and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.<br><br>The final amount of Securities to be issued on the Issue Date will be notified to investors by appropriate means and in any case in compliance with the applicable laws and regulations (and also through a notice published on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/), if available) on or around the Issue Date subject to the conditions under item 3 below. The final amount of Securities will depend on the outcome of the offer. |
| 3. | Conditions to which the offer is subject: | The offer of the Securities is conditional on their issue.<br><br>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.<br><br>In case of withdrawal or cancellation the Distributor will inform the investors that have applied for the Securities by appropriate means and in any case in compliance with the applicable laws and regulations (and also through a notice published on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/), if available).<br><br>Upon withdrawal or cancellation of the offer in Italy, all subscriptions applications will become void and have no effect, without further notice.<br><br>For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor will not be entitled to subscribe or otherwise purchase any Securities. The relevant Distributor will repay the Offer Price and any commission paid by any investor without interest. |

| | | |
|---|---|---|
| 4. | The time period during which the offer will be open ("**Offer Period**"): | An offer of the Securities will be made in Italy and Spain during the period from, and including, 22 January 2018 to, and including, 3:00 p.m., Central European Time, on 23 February 2018.<br><br>The Offer Period may be discontinued at any time. Notice of the early closure of the Offer Period will be made to investors by appropriate means and in any case in compliance with the applicable laws and regulations (and also through a notice published on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/)). See further the section entitled "Details of the minimum and/or maximum amount of application" set out in item 7 below. |
| 5. | Description of the application process: | Prospective investors may apply to the relevant Distributor to subscribe for Securities in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally.<br><br>Investors will be notified by the relevant Distributor of the amount allotted.<br><br>Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.<br><br>In particular in relation to the offer of the Securities in Italy during the Offer Period investors may apply for subscription of the Securities during normal Italian banking hours at the offices (*filiali*) of the Distributor by filing in, duly executing (also by appropriate attorneys) and delivering a specific subscription form (the "**Acceptance Form**") (*Modulo di Adesione*), as prepared by the Distributor. Acceptance Forms are available at the Distributor's office. Without prejudice to the provisions applicable to publication of supplements under article 16 of the Prospectus Directive as implemented from time to time, applications may not be revoked and may not be subject to conditions. After submission of the Acceptance Forms, investors may not reduce the amount of their application.<br><br>Applications received by the Distributor in Italy prior to the start of the Offer Period or after the closing date of the Offer Period, will be considered as not having been received and shall be void. |
| 6. | Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | Not Applicable. |
| 7. | Details of the minimum and/or maximum amount of application: | There is no minimum amount of application.<br><br>All of the Securities requested through the relevant Distributor during the Offer Period will be assigned up to the Maximum Amount of the Offer.<br><br>In the event that requests exceed the total amount of |

the offer, the relevant Distributor will close the Offer Period early, pursuant to item 4 above.

In the case of the offer of Securities in Italy, allotment of Securities will be managed and coordinated by the relevant Distributor subject to the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. There are no pre-identified allotment criteria. All of the Securities requested through the relevant Distributor during the Offer Period will be assigned up to the Maximum Amount of the Offer. The relevant Distributor will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Securities requested through the relevant Distributor during the Offer Period will be assigned up to the Maximum Amount of the Offer.

8. Details of the method and time limits for paying up and delivering the Securities:

Payments for the Securities shall be made to the relevant Distributor in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally, as instructed by the relevant Distributor.

The Securities will be issued on the Issue Date against payment to the Issuer by the relevant Distributor to the Issuer of the aggregate subscription moneys. Each investor will be notified by the relevant Distributor of the settlement arrangements in respect of the Securities at the time of such investor's application.

9. Manner in and date on which results of the offer are to be made public:

The results of the offer will be published by appropriate means (and also on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/), if available on or around the Issue Date).

10. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

Applicants will be notified by the relevant Distributor of the success of their application.

11. Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

The Dealer will pay a fee to (or to the order of) the Distributors in connection with the offer of up to 1.50 per cent. of the Nominal Amount per Security upfront. The Offer Price payable by the investor and the terms of the Securities take into account such fee and may be more than the market value of the Securities on the Issue Date.

The relevant Distributor may also charge a fee payable by investors of up to 1.00 per cent. of the Nominal Amount per Security up front.

In respect of the offer of Securities in Italy, the final fee paid by the Dealer to the Distributor(s) will be published on the Issuer's website (https://derivative.credit-suisse.com/uk/gb/en/) following the closing of the Offer Period on or around

| | | |
|---|---|---|
| | | the Issue Date.<br><br>Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer will not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation. For details of the tax regime applicable to subscribers in the Republic of Italy, see "Taxation - Italy".<br><br>In respect of the offer of Securities in Spain, the Issuer is not aware of any expenses or taxes specifically charged to the subscriber and not disclosed herein. |
| 12. | Name(s) and address(es), to the extent known to the Issuer, of the placers ("**Distributors**") in the various countries where the offer takes place: | In relation to the offer of the Securities in Italy:<br><br>Credit Suisse (Italy) S.p.A.<br>Via Santa Margherita 3<br>20121<br>Milano<br>Italy<br><br>The Securities will be placed into Italy without any underwriting commitment by the Distributor and no undertakings have been made by third parties to guarantee the subscription of the Securities.<br><br>In relation to the offer of the Securities in Spain:<br><br>Credit Suisse, AG<br>Sucursal en España<br>Calle Ayala, 42<br>CP 28001<br>Madrid<br>España |
| 13. | Consent: | The Issuer consents to the use of the Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the Offer Period and subject to the conditions, as provided as follows:<br><br>(a) Name and address of Authorised Offeror(s): See item 12 above.<br><br>(b) Offer period for which use of the Prospectus is authorised by the Authorised Offeror(s): Offer Period.<br><br>(c) Conditions to the use of the Prospectus by the Authorised Offeror(s): The Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which |

| | | |
|---|---|---|
| | | the Non-exempt Offer is to take place.<br><br>**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, the Prospectus does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to you by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any dealer has any responsibility or liability for such information provided by that Authorised Offeror.** |
| 14. | Prohibition of Sales to EEA Retail Investors: | Applicable other than in relation to any offer, sale or availability of the Securities in Spain or Italy in relation to which the Prohibition of Sales to EEA Retail Investors is Not Applicable. |

**Interests of Natural and Legal Persons involved in the Offer**

So far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer, save for any fees payable to the Distributors.

The Dealer will pay a fee to (or to the order of) the Distributors in connection with the offer of up to 1.50 per cent. of the Nominal Amount per Security upfront. The Offer Price payable by investors and the terms of the Securities take into account such fee and may be more than the market value of the Securities on the Issue Date.

The relevant Distributor may also charge a fee payable by investors of up to 1.00 per cent. of the Nominal Amount per Security up front.

**Performance of the Underlying Asset and other information concerning the Underlying Asset**

Information about the past and future performance and volatility of the Underlying Asset (i) can be found on the Bloomberg screen page in respect of the Credit Suisse Carry Income Index (Bloomberg ticker: CSRPCI6 <Index>) (but the information appearing on such page does not form part of this Prospectus) and (ii) is available at the principal office of Credit Suisse International in London.

**POST-ISSUANCE INFORMATION**

The Issuer will not provide any post-issuance information with respect to the Underlying Asset, unless required to do so by applicable law or regulation.

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

| | | |
|---|---|---|
| (i) | Reasons for the offer: | Not Applicable; the net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements). |
| (ii) | Estimated net proceeds: | Not Applicable. |
| (iii) | Estimated total expenses: | Not Applicable. |

## SCHEDULE

## AMENDMENTS TO THE EQUITY INDEX-LINKED SECURITIES ASSET TERMS

The Equity Index-linked Securities Asset Terms ("**Asset Terms**") shall be amended as follows:

1. Asset Term 1 (*Definitions*) shall be amended by:

(a) deleting the definition of "Additional Disruption Event" therein and replacing it with the following:

""**Additional Disruption Event**" means a Change in Law, a Hedging Disruption, Materially Increased Costs and/or an Index Disruption Event.";

(b) adding the following definition immediately after the definition of "**Additional Disruption Event**" (as amended herein):

""**Administrator/Benchmark Event**" means the occurrence of a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

(a) "**Non-Approval Event**" means, in respect of the Index:

(i) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Index or the administrator of the Index is not obtained;

(ii) the Index or the administrator of the Index is not included in an official register; or

(iii) the Index or the administrator of the Index does not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Index or the administrator of the Index,

in each case, as required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities. For the avoidance of doubt, a Non-Approval Event shall not occur if the Index or the administrator of the Index is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence or approval is suspended or an application for authorisation or registration is pending a decision if, at the time of such suspension or pending of such decision, the continued provision and use of the Index is permitted in respect of the Securities under the applicable law or regulation during the period of such suspension or pending of such decision.

(b) "**Rejection Event**" means, in respect of the Index, the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Index or the administrator of the Index under any applicable law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities.

(c) "**Suspension/Withdrawal Event**" means, in respect of the Index:

(i) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Index or the administrator of the Index which is required under any applicable law or regulation in order for

any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities; or

(ii) the Index or the administrator of the Index is removed from any official register where inclusion in such register is required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Securities.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Index is permitted in respect of the Securities under the applicable law or regulation during the period of such suspension or withdrawal."

(c) adding the following definition immediately after the definition of "**Hedging Disruption**":

""**Hypothetical Investor**" means a hypothetical investor located in England.";

(d) deleting the definition of "**Index Adjustment Event**" therein and replacing it with the following:

""**Index Adjustment Event**" means, in respect of an Index, an Index Cancellation, an Index Disruption, an Index Modification or an Administrator/Benchmark Event."

(e) adding the following definition immediately after the definition of "**Index Disruption**":

""**Index Disruption Event**" has the meaning given to the term in the Index Rules.";

(f) deleting the definition of "**Index Level**" therein and replacing it with the following:

""**Index Level**" means, on any Index Calculation Day (as such term is defined in the Index Rules), the Index Value (as such term is used in the Index Rules) in respect of such Index Calculation Day, as calculated and published by the relevant Sponsor.";

(g) adding the following definition immediately after the definition of "**Index Modification**":

""**Index Rules**" means the Index Specific Rules of the Credit Suisse Carry Income Index dated 15 January 2018 and the Master Index Rules of the Credit Suisse Actively Rebalanced Unit-Based Indices dated 21 November 2017 (and as may be amended from time to time)".

(h) adding the following definition immediately after the definition of "**Market Disruption Event**":

""**Materially Increased Costs**" means, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner, that the Index Component Costs materially exceed the costs embedded in the calculation of the Index and its Components as of the Trade Date (the "**Embedded Costs**"). In making its determination, the Calculation Agent will have regard to whether there would be a material adverse effect on the future performance of the Index if the Index Component Costs were deducted as part of the calculation of the Index Level in place of the Embedded Costs, when compared with the performance of the Index where the Embedded Costs are deducted as part of the calculation of the Index Level, taking into account the expected size and frequency of any future rebalancing and reallocation of Components within the Index.

For the purpose of determining whether an adjustment to the terms and conditions of the Notes would produce a commercially reasonable result, the Issuer will take into account the impact of the increased Index Component Costs on the amount of the cost deduction and the overall impact on the value of the Notes.

Where:

"**Index Component Costs**" means costs which arise outside the control of the Issuer or its affiliates and which would be incurred by a Hypothetical Investor, which are incidental and

necessary to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Transaction in respect of a Component, or (B) realise, recover or remit the proceeds of any such Transaction. These costs may include but are not limited to movements in bid and offer prices of Transactions, applicable costs incurred from a third party charged in addition to bid and offer prices (such as exchange or brokerage fees or commissions, or other fees charged for transacting in Transactions) and other costs that would have a similar effect, provided that any costs that are incurred due to the creditworthiness of such Hypothetical Investor will not constitute an Index Component Cost.

"**Transaction**" means, with respect to a Component, a direct or indirect investment that may be made by a Hypothetical Investor acting in good faith and in a commercially reasonable manner in any relevant asset underlying such Component (as described in the respective index rules of such Component) to enable such Hypothetical Investor to substantively replicate the strategy of the Index or such Component (whether in full or in part).

(i) deleting the definition of "**Scheduled Trading Day**" therein and replacing it with the following:

""**Scheduled Trading Day**" means any day (a) on which banks and foreign exchange markets are open for general business in London and New York City and (b) which is a scheduled calculation day with respect to all components included in the underlying asset."

2. A new term shall be added immediately after Asset Term 5 (*Responsibility*) as follows:

"6. **Determination of events**

Where the occurrence of an event or set of circumstances is capable of triggering more than one Index Adjustment Event or Additional Disruption Event, the Issuer may determine which of these will be triggered and which consequences shall be applied."

Signed on behalf of the Issuer:

Matthew Ryde
Authorised Signatory

By: ______________________

Duly authorised

Robert MacDonald
Director

By: ______________________

Duly authorised

## ANNEX A

## DESCRIPTION OF THE CREDIT SUISSE CARRY INCOME INDEX

The description (the "**Index Description**") of the Credit Suisse Carry Income Index (the "**Index**") below is intended to provide the essential characteristics of the Index for purposes of enabling an investor to fully understand the Index and its composition and make an informed assessment of the Securities. However, it is a description and a summary only of the Index Rules (as defined below). Investors seeking further information on the Index should read the full Index Rules, a copy of which is available as set out in section 12 below.

| **KEY INFORMATION RELATING TO THE INDEX** | |
|---|---|
| **Index** | Credit Suisse Carry Income Index. |
| **Bloomberg code** | CSRPCI6 <Index>. |
| **Index Sponsor** | Credit Suisse International. |
| **Index Administrator** | Credit Suisse International (or any successor Index Administrator). |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 16 January 2018. This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | The Index Launch Date. |
| **Base Currency** | USD. |
| **Index Rebalancing Entity** | Credit Suisse AG. |
| **Index Components** | The Index is composed of exposures to:<br>(a) The Base Index; and<br>(b) the Cash Component.<br>The Base Index means the Index prior to application of the Volatility Control Mechanism. The Cash Component does not generate any interest. |
| **Base Index and Base Index Components** | The Base Index is composed of the following components, which were selected by the Index Rebalancing Entity, from the asset class and with the Initial Weights on the Index Start Date as indicated in the table below. |

| **Asset Class** | **Base Index Components** | **Initial Weight** |
|---|---|---|
| Equities | Credit Suisse Short VIX 1% USD Index Excess Return | 8.77% |
| | Credit Suisse Short Variance Swap ER Flagship Index | 10.00% |
| | Credit Suisse LAB Put Write Index – Swap Series | 14.08% |
| | Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER | 25.00% |
| Commodities | Credit Suisse Backwardation Long/Short Excess Return Index | 10.59% |
| | Credit Suisse Custom 24F Alpha Excess Return Index | 15.00% |
| | Credit Suisse Custom 66I Alpha Excess Return Index | 39.03% |
| Interest Rates/Fixed Income | Credit Suisse Interest Rates Dynamic Carry 12 Global Index | 36.09% |
| | Credit Suisse US Rates VRP Weekly Roll 10x Index | 7.50% |
| Foreign Exchange Rates ("**FX**") | Credit Suisse FX EM 2 Excess Return Index | 17.96% |
| | Credit Suisse FX Carry EM15 Index Excess Return | 13.46% |

| | |
|---|---|
| | The weight of each Base Index Component on the Index Start Date is as set out above, but as the value of each Base Index Component goes up or down from day to day, its weight within the Base Index relative to the other Base Index Component(s) also goes up or down (the "**Effective Weight**"). The weight of each Base Index Component is rebalanced monthly on the last Index Calculation Day of each month (in accordance with the Index Rebalancing Methodology below) or following the occurrence of an Automatic Rebalancing Trigger (the "**Rebalancing Weight**"). The weight, being from time to time the Initial Weight, the Effective Weight or the Rebalancing Weight, is referred to in this Index Description as the "Weight". |
| **Index Rebalancing Methodology** | The Weight for each Base Index Component is not fixed and may change following the Index Start Date. The Index Rebalancing Entity will rebalance the weight of each Base Index Component on the last Index Calculation Day of each month in accordance with the Index Rebalancing Methodology set out in section 4 below. |
| **Cash Component** | A hypothetical non-interest bearing cash deposit. |
| **Target Volatility and rebalancing** | The Index includes a Volatility Control Mechanism with a Target Volatility at or below 6.0%, which determines how much of the current investment (the "**Weighting**") in the Index remains exposed to the Base Index and how much is allocated to the Cash Component. As the Base Index Value goes up or down from day to day, the Weighting within the Index relative to the Cash Component also goes up or down (the "**Effective Weighting**").<br><br>The Volatility Control Mechanism operates on a daily basis, and may result in a rebalancing of the Index on any Index Calculation Day. The objective of the Volatility Control Mechanism is to achieve a volatility for the Index at or below 6.0% as further described in section 7. |
| **Calculation of daily Index Value** | The Index Value on the Index Start Date is fixed at 1,000. The Index Value on each following Index Calculation Day is equal to:<br><br>(a) the Index Performance for such Index Calculation Day;<br><br>(b) less the applicable Transaction Costs charged on the volatility control rebalancing for the previous Index Calculation Day;<br><br>(c) less the *pro rata* Volatility Control Index Fee applicable since the previous Index Calculation Day;<br><br>(d) plus the Index Value from the previous Index Calculation Day. |
| **Index Calculation Day** | Any day on which banks and FX markets are open for general business in London and New York City and which is a scheduled calculation day with respect to all Base Index Components. |
| **Scheduled frequency of publication** | On each Index Calculation Day. The Index Value in respect of a particular Index Calculation Day will not be published until the next Index Calculation Day as more fully described in section 13 below. |

| | |
|---|---|
| **Fees and costs** | The Volatility Control Index Fee of 1.00% per annum is deducted daily *pro rata* from the Index Value.<br><br>The Access Cost per annum set out in the table below is deducted daily *pro rata* from the value of each Base Index Component.<br><br>The Transaction Cost set out in the table below is deducted as follows:<br><br>a. on a rebalancing of a Base Index Component (including any rebalancing resulting from an Automatic Rebalancing Trigger), the Transaction Cost is deducted from the Base Index Value; and<br><br>b. on a rebalancing triggered by the Volatility Control Mechanism, the Transaction Cost is deducted from the Index Value.<br><br>The Transaction Cost is charged on the amounts rebalanced. |

| Base Index Components | Access Cost | Transaction Cost |
|---|---|---|
| Credit Suisse Short VIX 1% USD Index Excess Return | 0.25% | 0.05% |
| Credit Suisse Short Variance Swap ER Flagship Index | 0.18% | 0.30% |
| Credit Suisse LAB Put Write Index – Swap Series | 0.29% | 0.05% |
| Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER | 0.00% | 0.15% |
| Credit Suisse Backwardation Long/Short Excess Return Index | 0.00% | 0.03% |
| Credit Suisse Custom 24F Alpha Excess Return Index | 0.00% | 0.30% |
| Credit Suisse Custom 66I Alpha Excess Return Index | 0.00% | 0.03% |
| Credit Suisse Interest Rates Dynamic Carry 12 Global Index | 0.13% | 0.05% |
| Credit Suisse US Rates VRP Weekly Roll 10x Index | 0.50% | 0.50% |
| Credit Suisse FX EM 2 Excess Return Index | 0.10% | 0.06% |
| Credit Suisse FX Carry EM15 Index Excess Return | 0.00% | 0.09% |

**The deduction of the Volatility Control Index Fee, Access Cost and Transaction Costs may significantly reduce the Index Value from what it would otherwise be.**

**Base Index Components may incorporate other costs as described in their respective descriptions.**

## 1. General

The Index is one of a group of indices created by the Index Administrator. It is calculated using a set of predetermined rules (the "**Index Rules**") and measures the performance of an investment in the Base Index Components (with periodic rebalancings) and the Cash Component less deductions for costs and fees. The Index was established on the Index Start Date.

The Index and the Base Index are "**synthetic**", which means that they each represent a hypothetical investment in the Index Components or the Base Index Components, as applicable. In this Index Description, wherever an "**investment**" in an Index Component or a Base Index Component is described, this means a hypothetical investment.

This Index Description includes the following sections:

(a) Objective and Overview of the Index – section 2;

(b) Overview of the Index Structure – section 3;

(c) Index Rebalancing Methodology – section 4;

(d) Base Index Components – section 5;

(e) Calculation of the Base Index– section 6;

(f) Volatility Control Mechanism – section 7;

(g) Cash Component and Cash Component performance – section 8;

(h) Calculation of the Index Performance and the Index Value – section 9;

(i) Index disruption events, extraordinary events and other events affecting the Index and discretionary determinations by the Index Administrator – section 10 and 11;

(j) Availability of Index Rules and rules of each Base Index Component – section 12;

(k) Availability and Publication of Index Values, Base Index Component Values and adjustments – section 13; and

(l) Limitations on availability of Index Rules, rules of each Base Index Component, Index Values and the Base Index Component Values – section 14.

2. **Objective and Overview of the Index**

*Investment Objective and Index Overview*

The investment objective of the Index is to generate returns by capturing the returns on various "carry risk premia strategies" across the following asset classes: equities, interest rates/fixed income, foreign exchange rates and commodities, while taking into account the principles of risk spreading, security of capital and liquidity (the "**Investment Objective**").

"Risk Premia" characterises the source of return which remunerates an investor for taking a particular risk with respect to a financial instrument. For example, the interest rate differential gained by borrowing money in currencies with low interest rates and investing it in currencies with higher interest rates can be seen as remuneration for holding currencies with higher risk.

"Carry" is the expected return of an asset, assuming its price stays constant. As a result, carry risk premia strategies aim to generate returns by systematically capturing expected yield differentials within asset classes or similar type returns.

In order to achieve the Investment Objective, the Index will obtain synthetic exposure to 11 sub-indices which each have a carry strategy across an individual asset class from the four (4) specified asset classes: (a) equities (including equity volatility and other equity carry strategies), (b) interest rates/fixed income (including fixed income volatility strategies), (c) commodities and (d) foreign exchange rates.

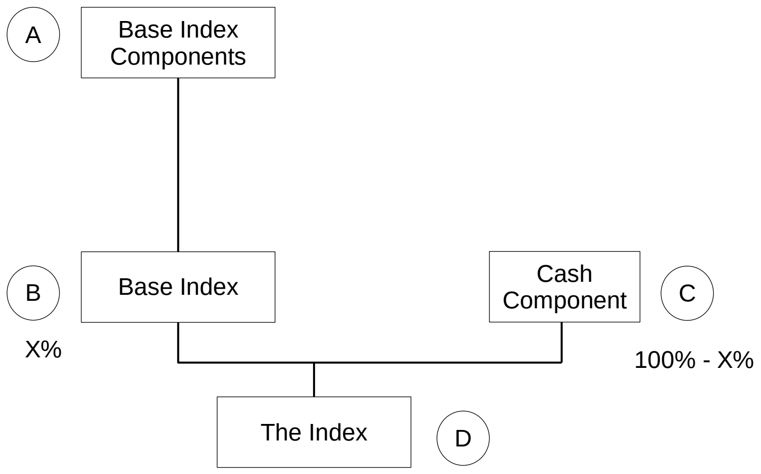
The investment in the sub-indices is represented by the Base Index (see section 5 below). The strategy of the Index also uses the Volatility Control Mechanism (see section 7 below) which targets a volatility of the Index at or below 6.0%. The Volatility Control Mechanism determines how much of the Index remains exposed to the Base Index. This is the "Weighting" of the Base Index. If the Weighting of the Base Index is less than 100% the difference between the actual Weighting and 100% is invested in the Cash Component. The Cash Component (see section 8 below) is a hypothetical non-interest bearing cash deposit.

The Index is an "excess return" index which means that it measures the return from the strategy net of the cost of funding an investment in the strategy.

*Base Index Components Overview*

The Base Index is comprised of synthetic exposure to 11 specified sub-indices (each a "**Base Index Component**") which are set out in section 5 below. Each Base Index Component represents a notional portfolio of one or more reference assets (including any realised gains or losses on such reference assets since the index start date of the relevant Base Index Component) which are selected in accordance with the strategy of the relevant Base Index Component.

3. **Overview of the Index structure**




A. The Base Index is comprised of the Base Index Components in their relevant Weights.

B. The Volatility Control Mechanism assigns a Weighting within the Index to the Base Index (X%).

C. The Weighting within the Index allocated to the Cash Component is the difference between 100% and the Weighting of the Base Index i.e. 100% - X%.

D. The weighted performances of the Base Index and the Cash Component are combined to calculate the Index Value.

4. **Index Rebalancing Methodology**

*Index Rebalancing Entity Allocation Methodology*

The Index Rebalancing Entity is responsible for determining the proportion of the Base Index that is allocated to each Base Index Component and for reallocating the Base Index among the Base Index Components monthly following the process described below (the "**Allocation Model**"). This is done by determining the Rebalancing Weight for each Base Index Component. The Index Rebalancing Entity will review the Rebalancing Weight on a monthly basis on the sixth (6th) Index Calculation Day preceding the last Index Calculation Day of the month (the "**Rebalancing Weight Calculation Day**") and will determine whether to rebalance the Base Index on the second (2nd) Index Calculation Day preceding the last Index Calculation Day of such month (each a "**Rebalancing Notification Day**").

The Index Rebalancing Entity follows a defined process in applying the Allocation Model when composing the Base Index. The Allocation Model follows a risk weighted approach, where a Base Index Component's exposure within the Base Index is larger when its risk is determined to be low and smaller when its risk is determined to be high. Although the selection of Base Index Components by the Index Rebalancing Entity follows an allocation model with pre-defined rules, the allocation, reallocation, and rebalancing of the Base Index Components by the Index Rebalancing Entity does not imply that the Base Index Components overweighted in the Index are more suitable or will provide higher returns than the Base Index Components underweighted in or excluded from the Index.

The Rebalancing Weight for each Base Index Component is calculated on the following basis.

On a Rebalancing Weight Calculation Day the Index Rebalancing Entity will determine if a Trigger Event has occurred in respect of a Base Index Component.  If a Trigger Event has

occurred in respect of a Base Index Component, the Weight for the affected Base Index Component may be set to zero.

A Trigger Event occurs if in the determination of the Index Rebalancing Entity:

$$Abs[CDD(i)] > 1.5 * \sigma(i)$$

Where:

"**CDD(i)**" is the value, expressed as a percentage, which is the lesser of (i) 0 per cent. and (ii) the current value for a Base Index Component less the highest historical value for such Base Index Component since January 2007, divided by such highest historical value. This difference is calculated using available monthly data up to and including the last Index Calculation Day of the calendar month immediately preceding the relevant Rebalancing Weight Calculation Day.

"**σ(i)**" is 5 year volatility of the relevant Base Index Component (expressed as a percentage), based on monthly return data up to and including the last Index Calculation Day of the calendar month immediately preceding the Rebalancing Weight Calculation Day.

"**Abs**" means, in respect of a value, the absolute value of such value.

The Index Rebalancing Entity will determine the Rebalancing Weight on the Rebalancing Weight Calculation Day for each Base Index Component which (i) is not subject to a Trigger Event and (ii) is subject to a Trigger Event, but which the Index Rebalancing Entity has not set to zero, in each case, by calculating the target weight for each Base Index Component as follows:

$$W(i) = \frac{2/\sigma(i)}{\sum 1/\sigma(i)}$$

Where:

"**W(i)**" is the Base Index Component target Weight on the Rebalancing Weight Calculation Day; and

"σ(i)" is Adjusted Volatility of the relevant Base Index Component on the Rebalancing Weight Calculation Day.

The result of the Rebalancing Weight calculation may result in the Base Index having a leveraged exposure to the Base Index Components.

"**Adjusted Volatility**" is calculated by the Index Rebalancing Entity in three (3) stages:

(1) First, the average volatility is calculated as the average of the 1,3, 5 and 10 year annualised volatilities (the "**Average Volatility**"), each being calculated using monthly return data up to the calendar month end immediately preceding the Rebalancing Weight Calculation Day

(2) second, (a) for each Base Index Component where the absolute value of the Maximum Drawdown for such Base Index Component is less than 1.5 times the Target Volatility, the modified volatility for such Base Index Component is calculated as the Average Volatility multiplied by 50% (the "**Modified Volatility**") and (b) for each Base Index Component where the absolute value of the Maximum Drawdown for such Base Index Component is equal to or greater than 1.5 times the Target Volatility, the Modified Volatility for such Base Index Component is calculated as the Average Volatility; and

(3) third, the Adjusted Volatility is calculated as the greater of (a) the Modified Volatility and (b) 2% (being the level determined by the Index Rebalancing Entity to protect the Base Index from over-allocation to a particular Base Index Component).

Notwithstanding the foregoing, if a Volatility Event is observed on a Rebalancing Weight Calculation Day, the Index Rebalancing Entity may deviate from the average measure for the Average Volatility specified above and may select any of the 1, 3, 5 or 10 year volatilities instead.

A "**Volatility Event**" will occur if (a) the short-term 3m-volatility exceeds 150% of the Average Volatility or (b) the short-term 3m-volatility is below 75% of the Average Volatility.

"**3m-volatility**" is the annualized volatility calculated using daily returns over the previous three months, as observed on the Rebalancing Weight Calculation Day.

"**Maximum Drawdown**" means the maximum cumulative percentage loss of a hypothetical investor in the relevant Base Index Component since January 2007 using available monthly data up to and including the last Index Calculation Day of the calendar month immediately preceding the relevant Rebalancing Weight Calculation Day.

The Base Index Component target Weights are then adjusted by the Index Rebalancing Entity to comply with the Investment Restrictions as described below. If any Investment Restriction is breached, the Weights will be adjusted accordingly in order to comply with such Investment Restriction. The resulting Weights are the Rebalancing Weights.

Where the absolute value of the difference between the Rebalancing Weights and the Effective Weights for each Base Index Component as observed on the Rebalancing Weight Calculation Day is less than 5%, to minimise transaction costs the Index Rebalancing Entity may not rebalance the Weights.

*Index Rebalancing Process*

The Index Rebalancing Entity will run the Allocation Model on a monthly basis on the Rebalancing Weight Calculation Day and may notify the Index Administrator (a "**Rebalancing Notice**") that it wants to rebalance some or all of the Weights of the Base Index Components in the Base Index on the last Index Calculation Day of the current month (an "**Index Rebalancing Day**") and giving details of the proposed Rebalancing Weight(s) (a "**Rebalancing Proposal**"). The proposed Rebalancing Weight(s) must comply with the Investment Restrictions (as defined below).

The Index Administrator will determine whether or not to accept the Rebalancing Proposal depending on whether or not the Rebalancing Proposal falls within the Investment Restrictions and notify the Index Rebalancing Entity of its determination.

If no Rebalancing Notice is provided or the Index Rebalancing Entity fails to submit a Rebalancing Notice that contains Rebalancing Weights compliant with the Investment Restrictions on or before the Rebalancing Notification Day, the Rebalancing Weights that shall be used on the last Index Calculation Day for the current month shall be the Rebalancing Weights used on the last Index Calculation Day for the immediately preceding calendar month.

The following restrictions (the "**Investment Restrictions**") will apply to the Weight that the Index Rebalancing Entity may allocate to each Base Index Component on each Index Rebalancing Day:

- Each Weight must be a percentage between the Minimum Weight and Maximum Weight specified in the table below;
- The sum of the Weights of all Base Index Components must be equal to or less than 210%;
- The sum of the Weights of all Base Index Components within one Asset Class must be equal to or less than the relevant Asset Class Maximum Weight specified in the table below;
- The sum of the product of the Weights of all Index Components and their respective Vega specified in the table below must be between 0% and 0.50%; and
- The sum of the product of the Weights of Index Components listed under the Equities Asset Class and their respective Vega must be between 0% and 0.30%.

| Base Index Component | Minimum Weight | Maximum Weight | Vega |
|---|---|---|---|
| Credit Suisse Short VIX 1% USD Index Excess Return | 0% | 30% | 1.00% |
| Credit Suisse Short Variance Swap ER Flagship Index | 0% | 10% | 0.50% |
| Credit Suisse LAB Put Write Index – Swap Series | 0% | 30% | 0.12% |
| Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER | 0% | 25% | N/A |
| Credit Suisse Backwardation Long/Short Excess Return Index | 0% | 25% | N/A |
| Credit Suisse Custom 24F Alpha Excess Return Index | 0% | 15% | N/A |
| Credit Suisse Custom 66I Alpha Excess Return Index | 0% | 50% | N/A |
| Credit Suisse Interest Rates Dynamic Carry 12 Global Index. | 0% | 50% | N/A |
| Credit Suisse US Rates VRP Weekly Roll 10x Index | 0% | 7.5% | 1.8% |
| Credit Suisse FX EM 2 Excess Return Index | 0% | 40% | N/A |
| Credit Suisse FX Carry EM15 Index Excess Return | 0% | 15% | N/A |

| Asset Class | Asset Class Maximum Weight |
|---|---|
| Commodities | 90% |
| Equities | 70% |
| Interest Rates/Fixed Income | 50% |
| FX | 100% |

*Automatic Rebalancing Trigger*

The Weight of each Base Index Component on the Index Start Date is as set out in section 5 below, but as the value of each Base Index Component goes up or down from day to day, its Weight within the Base Index relative to the other Base Index Component(s) also goes up or down. This is the "**Effective Weight**". Consequently, if one Base Index Component performs better than the other Base Index Components, then the higher its Effective Weight, the higher the portion of the Base Index's overall future performance which will be dependent on the future performance of that Base Index Component.

As the daily performance of each Base Index Component fluctuates the Effective Weight of each Base Index Component within the Base Index will vary from the Weight of that Base Index Component set by the Index Rebalancing Entity on the immediately preceding Index Rebalancing Day (or, before the first Index Rebalancing Day, the Initial Weight), as the daily positive or negative performance of each Base Index Component is factored into the Base Index Value. Where such variation results in the sum of the Effective Weights of all the Base Index Components being greater than 230% (an "**Automatic Rebalancing Trigger**"), the Base Index shall automatically be rebalanced two Index Calculation Days following the Index Calculation Day on which such Automatic Rebalancing Trigger occurs and the Weight of each Base Index Component shall be rebalanced to its respective Rebalancing Weight on the immediately preceding Index Rebalancing Day.

The Weight of each Base Index Component as set out in this Index Description is rounded to the nearest two decimal places, with 0.005 being rounded upwards. The actual Weights used in the calculation of the Index may not be rounded.

5. **Base Index Components**

Each Base Index Component is a Credit Suisse proprietary Index. The Base Index Components are set out in the table below:

| Base Index Components | Bloomberg Ticker | Currency | Initial Weight |
|---|---|---|---|
| Credit Suisse Short VIX 1% USD Index Excess Return | CSVPSVUE | USD | 8.77% |
| Credit Suisse Short Variance Swap ER Flagship Index | CSVPSVE | USD | 10.00% |
| Credit Suisse LAB Put Write Index – Swap Series | CSLASPW | USD | 14.08% |
| Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER | CSEADUE2 | USD | 25.00% |
| Credit Suisse Backwardation Long/Short Excess Return Index | CSCUBLSF | USD | 10.59% |
| Credit Suisse Custom 24F Alpha Excess Return Index | CSCUS24F | USD | 15.00% |
| Credit Suisse Custom 66I Alpha Excess Return Index | CSCUD66I | USD | 39.03% |
| Credit Suisse Interest Rates Dynamic Carry 12 Global Index | CIRBDG2C | USD | 36.09% |
| Credit Suisse US Rates VRP Weekly Roll 10x Index | CSVIUSXN | USD | 7.50% |
| Credit Suisse FX EM 2 Excess Return Index | FXMXEEU2 | USD | 17.96% |
| Credit Suisse FX Carry EM15 Index Excess Return | FXCIEMCU | USD | 13.46% |

## 6. Calculation of the Base Index

### "Adjusted Value" for each Base Index Component

The Index Calculation Agent will calculate the Adjusted Value (the "**Adjusted Value**") for each Base Index Component as the published value of the relevant Base Index Component adjusted, in the case of the Credit Suisse LAB Put Write Index – Swap Series strategy, to take into account that it is calculated on a total return basis by deducting a hypothetical cash borrowing.

The Adjusted Value of each Base Index Component is used to calculate the Base Index Value.

### Calculation of Base Index Performance

In order to calculate the Base Index Performance (the "**Base Index Performance**") in respect of an Index Calculation Day, the Index Calculation Agent calculates the performance of each Base Index Component for such day, weighted by its Effective Weight as of the previous Index Calculation Day. The product of the weighted performances for all Base Index Components are added together to give the Base Index Performance for that Index Calculation Day.

### Calculation of Base Index Value

The Base Index Value (the "**Base Index Value**") on the Index Start Date (which is also an Index Rebalancing Day) is fixed at 1,000.

The Base Index Value on each subsequent Index Calculation Day is calculated by applying the Base Index Performance for such day to the Base Index Value for such day less relevant Transaction Costs and Access Costs.

## 7. Volatility and the Volatility Control Mechanism

The Index uses a volatility control mechanism (the "**Volatility Control Mechanism**") to target a volatility level at or below 6.0% (the "**Target Volatility**") for the Index. "Volatility" measures the amount of variation in a value or price over a given period of time, with higher volatility characterised by larger movements in that value or price. "Realised volatility" is measured as the highest point between long term and short term volatility. The short term volatility is measured using daily performance of the Base Index Components as observed over the previous 20 Index Calculation Days, as observed with a lag of 2 days. The long term volatility is measured using weekly performance (performance over 5 days) of the Base Index Components as observed over the previous 80 Index Calculation days, as observed with a lag of 2 days.

The Volatility Control Mechanism uses the realised volatility to determine the Base Index's target Weighting within the Index in order to meet the Target Volatility for the Index. Following the application of the Volatility Control Mechanism, where the Base Index has a realised volatility less than or equal to the Target Volatility, then the Base Index will have a target Weighting of 100% within the Index, and with no exposure to the Cash Component. As the

realised volatility of the Base Index increases above the Target Volatility, the target Weighting of the Base Index in the Index reduces and the target Weighting of the Cash Component increases (up to a maximum target exposure of 100% to the Cash Component).

If the target Weighting of the Base Index within the Index in respect of any Index Calculation Day is different to its actual Weighting on such day by more than 5.0%, then the Weighting of the Base Index in the Index is rebalanced to its target Weighting which is determined following the process as described above. This process takes place automatically on each Index Calculation Day.

8. **Cash Component and Cash Component performance**

The Cash Component is a hypothetical non-interest bearing cash deposit. It represents the amount of the Index that is not exposed to the Base Index. As it does not accrue interest, the performance of the Cash Component is always zero.

9. **Calculation of the Index Performance and Index Value**

The Index Performance (the "**Index Performance**") on any Index Calculation Day depends on the Weighting assigned to the Base Index on the previous Index Calculation Day by the Volatility Control Mechanism. The Index Performance for an Index Calculation Day is calculated by dividing the Base Index Value for such Index Calculation Day by that of the previous Index Calculation Day, and multiplying the result by (i) the Effective Weighting of the Base Index on the previous Index Calculation Day and (ii) the Index Value as of the previous Index Calculation Day.

The Index Value on the Index Start Date is fixed at 1,000. The Index Value on each following Index Calculation Day is equal to:

(a) the Index Performance for such Index Calculation Day;

(b) less the applicable Transaction Costs charged on the volatility control rebalancing for the previous Index Calculation Day;

(c) less the *pro rata* Volatility Control Index Fee applicable since the previous Index Calculation Day;

(d) plus the Index Value from the previous Index Calculation Day.

10. **Rules for adjustments to the Index**

From time to time, certain events may occur which affect a Base Index Component, the Index or any calculation in respect thereof. In such case, the Index Administrator may exercise its discretion to take action available to it under the Index Rules to deal with the impact of such events on the Index, including making an adjustment to the Index or the calculation of the Index Value. Any such discretionary determination could have a material adverse impact on the Index Value.

Where the occurrence of an event or set of circumstances is capable of triggering more than one Index Disruption Event, the Index Administrator may determine which Index Disruption Event is to be triggered.

Set out below are such events (each an "**Index Disruption Event**"):

(a) **General Disruption Events**

"**General Disruption Events**" means any of the following events and circumstances:

(i) an unscheduled closure or material restriction or suspension in trading of relevant money markets;

(ii) the failure, suspension or postponement of any calculation within the Index or a breakdown in communications or procedure which is normally used in the calculation of the Index;

(iii) any event which, in the determination of the Index Administrator, prevents the prompt or accurate calculation of the Index; and/or

(iv) the disruption of trading on the relevant exchange or other trading facility of any component or instrument referenced in the calculation of the Index or a Base Index Component or any other similar event.

Following a General Disruption Event, the Index Administrator may (i) suspend the calculation of the Index, and/or (ii) publish an estimated Index Value on the basis of estimated or adjusted data, and/or (iii) take other action, including using alternative price sources, recomposing the Index or temporarily changing weights within the Index. Any such action could have a material adverse impact on the Index Value.

(b) **Amendments to the Index; Index Component Substitution; Index Withdrawal**

In certain circumstances, the Index Administrator may, acting in good faith and in a commercially reasonable manner, supplement, amend or revise the Index or, if in its opinion this is not possible, terminate the Index.

The events or circumstances which may lead to such action being taken by the Index Administrator are as follows:

(i) it becomes impossible or impractical to calculate the Index in accordance with the Index Rules;

(ii) there is an error, ambiguity or omission in the Index Rules which requires correction; or

(iii) the occurrence of an Extraordinary Event.

"**Extraordinary Events**" mean any of the following events:

(i) a change to the liquidity, the trading volume, the terms or listing of any component of a Base Index Component;

(ii) a change in, or interpretation of, any applicable law or regulation;

(iii) any event or circumstance such that the value of a Base Index Component or any component thereof is incorrect or unreliable;

(iv) a Base Index Component or any component thereof is permanently discontinued or otherwise unavailable;

(v) a change in the method by which the value of a Base Index Component or any component thereof is calculated;

(vi) the occurrence of any event which has a material effect on the ability of an issuer of an investment product linked to the Index to manage any hedge position in relation to such investment product;

(vii) the occurrence of any other event which has a material impact on the ability of the Index Administrator or Index Calculation Agent to perform its duties under the Index Rules; or

(viii) the occurrence of any other event which prevents or limits the Index from meeting its objective,

which in each case has or will have a material adverse effect on the Index, the ability of the Index Calculation Agent to calculate the Index Value, the ability of the Index to achieve its objective or the ability of an investor to replicate the Index itself.

11. **Index Administrator and Index Calculation Agent determinations**

All calculations, determinations and exercises of discretion made by the Index Administrator or the Index Calculation Agent will be made in good faith and in a commercially reasonable manner and where required by applicable regulations, shall take into account whether fair treatment is achieved for investors who are exposed to the Index.

The Index Administrator may make any change or modification to the Index and/or the Index Rules which may be necessary or desirable for the purposes of ensuring compliance by the Index Administrator with its obligations under the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**") and any successor or additional benchmarks legislation or regulation applicable in the United Kingdom.

12. **Availability of Index Rules and rules of each Base Index Component**

The Index Administrator will make available the Index Rules and the rules for each Base Index Components upon written request made to the Index Administrator at its principal office in London for the time being at 1 Cabot Square, Canary Wharf, London E14 4QJ (the "**Principal Office**") and at the following website:www.credit-suisse.com/carryincome.

13. **Availability and publication of Index Values, Base Index Component Values and adjustments**

*Availability of Index Value, Base Index Component Values and adjustments*

The Index Administrator will make available the Index Value and the level of each Base Index Component published by the index administrator in respect of each Base Index Component (each such level, a "**Base Index Component Value**" and together, the "**Base Index Component Values**") in respect of each Index Calculation Day as soon as reasonably practicable following their calculation which is expected to be after 5.00pm, London time on the next Index Calculation Day following such Index Calculation Day. Details of any adjustments made to the Index (including any changes to the Weights of the Base Index Components and the Weightings of the Index Components) shall be made available by the Index Administrator upon written request to the Index Administrator at their Principal Office.

*Publication of Index Value and the Base Index Component Values*

The Index Value and the Base Index Component Values will be published at one or more of the following locations:

(i) at the Index Administrator's Principal Office;

(ii) on Bloomberg/Reuters under the relevant index title; or

(iii) on such other information sources as the Index Administrator may select from time to time.

14. **Limitations on availability of Index Rules, rules of each Base Index Component, Index Values and the Base Index Component Values**

Any publication described in Sections 12 and 13 above may be restricted by means determined as appropriate for such purpose by the Index Administrator including, but not limited to, password protection on the Credit Suisse website, restricting access to a limited number of persons in accordance with arrangements agreed between the Index Administrator and such persons.

The Index Administrator may, at any time and without notice, change with respect to the Index or the Base Index Components (i) the website on which publication is made and/or (ii) the place

of publication of any of (A) the Index Rules, (B) the rules of a Base Index Component, or (C) any Index Value or the Base Index Component Values, as the case may be.

The Index Administrator may, at any time and without notice, change the frequency of publication of any Index Value or Base Index Component Value.

The Index Administrator accepts no legal liability to any person for publishing or not continuing to publish for any period of time any Index Value or Base Index Component Value at any particular place or any particular time.

The Index Rules and the rules of each Base Index Component are written and (as applicable) published by the Index Administrator. The Index Administrator is exclusively entitled to construe its provisions and determine or clarify their meaning. If there is any ambiguity in, or uncertainty or dispute about the meaning of, any of the provisions of the Index Rules or the rules of a Base Index Component, the Index Administrator will, acting in good faith and in a commercially reasonable manner, construe the relevant provision(s) in order to determine the correct interpretation, and the decision of the Index Administrator shall be final.

## ANNEX B

## INDEX DISCLAIMER

This disclaimer extends to Credit Suisse International ("**Credit Suisse**"), its affiliates or its designate in any of its capacities in relation to the Index described in Annex A and each of the Base Index Components described in Annex C.

The Index Rules and the Index Description are published by Credit Suisse or its affiliates. Credit Suisse is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA. Notwithstanding that Credit Suisse is so regulated, the rules of neither the FCA nor the PRA are incorporated into this document.

The Index Administrator, the Index Calculation Agent and the Index Rebalancing Entity (in respect of the Credit Suisse Carry Income Index) are part of the same group (except in the case of the Credit Suisse LAB Put Write Index – Swap Series). Credit Suisse or its affiliates may also offer securities or other financial products ("**Investment Products**") the return of which is linked to the performance of the Index. Credit Suisse or its affiliates may, therefore, in each of its capacities face a conflict in its obligations carrying out such role with investors in the Investment Products.

In addition, the Index Rules and the Index Description are not to be used or considered as an offer or solicitation to buy or subscribe for such Investment Products nor are they to be considered to be or to contain any advice or a recommendation with respect to such products. Before making an investment decision in relation to such products one should refer to the prospectus or other disclosure document relating to such products.

The Index Rules and the Index Description are published for information purposes only and Credit Suisse and its affiliates expressly disclaim (to the fullest extent permitted by applicable law and regulation except for where loss is caused by the Fault of Credit Suisse or its affiliates) all warranties (express, statutory or implied) regarding this document and the Index, including but not limited to all warranties of merchantability, fitness for a particular purpose of use and all warranties arising from course of performance, course of dealing or usage of trade and their equivalents under applicable laws of any jurisdiction unless losses result from the breach of such warranties where such losses are caused by the Fault of Credit Suisse or its affiliates. "**Fault**" means negligence, fraud or wilful default.

Where indicated, Credit Suisse is described as Index Administrator and the Index Calculation Agent under the Index Rules. Credit Suisse may transfer or delegate to another entity, at its discretion and in compliance with applicable law and regulation, some or all of the functions and calculations associated with the roles of Index Administrator and Index Calculation Agent respectively under the Index Rules.

Credit Suisse (or its affiliates, where applicable) as Index Administrator is the final authority on the Index and the interpretation and application of the Index Rules.

Credit Suisse (or its affiliates, where applicable) as Index Administrator may supplement, amend (in whole or in part), revise or terminate the Index Rules in compliance with applicable law and regulation at any time. The Index Rules may change without prior notice.

Credit Suisse (or its affiliates, where applicable) will apply the Index Rules in its discretion acting in good faith and in a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall act independently and honestly in its capacity as the Index Administrator and take into account whether fair treatment is achieved by any such calculation, determination and exercise of discretion in accordance with its applicable regulatory obligations, and in doing so may rely upon other sources of market information.

Credit Suisse (or its affiliates, where applicable) as Index Administrator does not warrant or guarantee the accuracy or timeliness of calculations of Index Values or the availability of an Index Value on any particular date or at any particular time.

Neither Credit Suisse nor any of its affiliates (including their respective officers, employees and delegates) shall be under any liability to any party on account of any loss suffered by such party (however such loss may have been incurred) in connection with anything done, determined,

interpreted, amended or selected (or omitted to be done, determined or selected) by it in connection with the Index and the Index Rules unless such loss is caused by Credit Suisse's or any of its affiliates' Fault. Without prejudice to the generality of the foregoing and unless caused by Credit Suisse's or any of its affiliates' Fault, neither Credit Suisse nor any of its affiliates shall be liable for any loss suffered by any party as a result of any determination, calculation, interpretation, amendment or selection it makes (or fails to make) in relation to the construction or the valuation of the Index and the application of the Index Rules and, once made, neither Credit Suisse nor any of its affiliates shall be under any obligation to revise any calculation, determination, amendment, interpretation and selection made by it for any reason. Neither Credit Suisse nor any of its affiliates makes any warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index, or as to the performance and/or the value thereof at any time (past, present or future).

The strategy underlying the Index (the "**Index Strategy**") is a proprietary strategy of the Index Administrator. The Index Strategy is subject to change at any time by the Index Administrator or otherwise as required by applicable law and regulations. Neither Credit Suisse nor its affiliates shall be under any liability to any party on account of any loss suffered by such party, unless such loss is caused by Credit Suisse's or its affiliates' Fault, in connection with any change in any such strategy, or determination or omission in respect of such strategy.

Neither Credit Suisse nor any of its affiliates is under any obligation to monitor whether or not an Index Disruption Event has occurred and shall not be liable for any losses unless caused by Credit Suisse's Fault resulting from (i) any determination that an Index Disruption Event has occurred or has not occurred, (ii) the timing relating to the determination that an Index Disruption Event has occurred or (iii) any actions taken or not taken by Credit Suisse or any of its affiliates as a result of such determination.

Unless otherwise specified, Credit Suisse shall make all calculations, determinations, amendments, interpretations and selections in respect of the Index. Neither Credit Suisse nor any of its affiliates (including their respective officers, employees and delegates) shall have any responsibility for good faith errors or omissions in its calculations, determinations, amendments, interpretations and selections as provided in the Index Rules unless caused by Credit Suisse's or its affiliates' Fault. The calculations, determinations, amendments, interpretations and selections of Credit Suisse or its affiliates (where applicable) shall be made by it in accordance with the Index Rules, acting in good faith and in a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such calculation, determination, amendment, interpretation and selections in accordance with its applicable regulatory obligations (having regard in each case to the criteria stipulated herein and (where relevant) on the basis of information provided to or obtained by employees or officers of Credit Suisse or its affiliates (where applicable) responsible for making the relevant calculations, determinations, amendments, interpretations and selections). For the avoidance of doubt, any calculations or determinations made by Credit Suisse under the Index Rules on an estimated basis may not be revised following the making of such calculation or determination.

No person may reproduce or disseminate the Index Rules, any Index Value and any other information contained in this document without the prior written consent of Credit Suisse or its affiliates (where applicable). This document is not intended for distribution to, or use by any person in a jurisdiction where such distribution or use is prohibited by law or regulation. No one other than Credit Suisse or its affiliates (where applicable) is permitted to use the Index Rules or any Index Value in connection with the writing, trading, marketing, or promotion of any financial instruments or products or to create any indices.

These disclaimers are subject to mandatory provisions of applicable law and regulation which apply to the Index Sponsor or the Index Calculation Agent and nothing in these disclaimers shall exclude or limit liability to the extent such exclusion or limitation is not permitted by such law or regulation. Save for the foregoing these disclaimers shall apply to the fullest extent permitted by applicable law and regulation.

The Index Rules shall be governed by and construed in accordance with English law.

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Suisse LAB Put Write Index – Swap Series", "Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER", "Credit Suisse Backwardation Long/Short Excess Return Index", "Credit Suisse Custom 24F Alpha Excess Return Index", "Credit Suisse Custom 66I Alpha Excess Return Index", "Credit Suisse Interest Rates Dynamic Carry 12 Global Index", "Credit Suisse US Rates VRP Weekly Roll 10x Index", "Credit Suisse FX EM 2 Excess Return Index" and "Credit Suisse FX Carry EM15 Index Excess Return" are trademarks or service marks or registered trademarks or registered service marks of Credit Suisse Group AG or one of its affiliates.

In the event of any inconsistency between this disclaimer and any disclaimer set out in the Index Rules in respect of each Base Index Component described in Annex C, this disclaimer set out in Annex B will prevail.

## ANNEX C

## DESCRIPTION OF THE SUB-INDICES

The following section sets out descriptions (each an "**Index Description**") for each of the eleven indices that comprise the Base Index (each a "**Base Index Component**").

The Index Administrator in respect of the Index will make available the index rules in respect of each Base Component upon written request made to the Index Administrator for the Index at its principal office in London for the time being at 1 Cabot Square, Canary Wharf, London E14 4QJ (the "**Principal Office**") and at the following website www.credit-suisse.com/carryincome.

The Index Administrator in respect of each Base Index Component will make available the value of each Base Index Component in respect of each Index Calculation Day as soon as reasonably practicable following their calculation. The value of each Base Index Component will be published at one or more of the following locations:

(i) at the Principal Office of the Index Administrator of the Index;

(ii) on Bloomberg/Reuters under the relevant index title;

(iii) on the relevant page of the Credit Suisse website relating to the relevant Base Index Component; or

(iv) on such other information sources as the Index Administrator in respect of each Base Index Component may select from time to time.

The Index Administrator (or any successor Index Administrator) in respect of each Base Index Component may make any change or modification to the Base Index Component and/or the index rules in respect of each Base Index Component which may be necessary or desirable for the purposes of ensuring compliance by the Index Administrator with its obligations under the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**") and any successor or additional benchmarks legislation or regulation applicable in the United Kingdom.

**Definitions**

The following defined terms shall apply to the description of each Base Index Component:

"**Front Futures Contract**" means the Futures Contract with the closest expiry date to the current date (i.e. the shortest duration contract that may be purchased in the futures market).

"**Futures Contract**" means a legal agreement to buy or sell a particular commodity or financial instrument at a predetermined price at a specified time in the future.

"**FX**" means foreign exchange rates.

"**FX Forward Contract**" means an agreement to purchase or sell a set amount of a foreign currency at a specified exchange rate now for settlement on a date in the future.

"**Implied Volatility**" means the expected volatility of an asset. The market expectation of future volatility can be derived from option prices on the relevant underlying asset.

"**Index Value**" means (i) in respect of the Index Start Date, the value specified as such in the relevant Index Description, and (ii) in respect of each Index Calculation Day thereafter the level of the relevant Base Index Component, as calculated and published by the relevant Index Administrator.

"**Long Position**" means a notional investment in an asset by a hypothetical investor, where such hypothetical investor expects the price of the asset to rise over time and therefore has no intention to sell the asset in the near future. An increase in the price of the asset will result in an increase in the hypothetical investor's position.

"**Option**" means a contract which gives the buyer (the owner or holder of the option) the right, but not the obligation, to buy (a "**Call Option**") or sell (a "**Put Option**") an underlying asset at a specified

price on a specified date.

"**Realised Volatility**" means the level of volatility that is actually observed in an asset. Historical volatility can be calculated formulaically by reference to the magnitude of daily price movements (in either direction) for the relevant underlying asset.

"**Short Position**" means a notional sale of an asset by a hypothetical investor, where such hypothetical investor sells an asset that they have borrowed with the expectation that market prices will fall, enabling the hypothetical investor to purchase such assets at a lower price to return them to the entity from which the hypothetical investor has borrowed the assets. A decrease in the price of the asset after the hypothetical investor sells the asset will effectively allow them to make a return on the amount at which they repurchase the assets.

"**Volatility**" means the degree of uncertainty or risk related to the magnitude of changes in the value of an asset. A higher volatility means that the value of an asset will be anywhere within a wide range of values. This means that the price of an asset can change dramatically over a short period of time, both positively and negatively. Lower volatility means that an asset's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

## DESCRIPTION OF THE CREDIT SUISSE BACKWARDATION LONG/SHORT EXCESS RETURN INDEX

| KEY INFORMATION RELATING TO THE INDEX | |
|---|---|
| **Index Name** | Credit Suisse Backwardation Long/Short Excess Return Index. |
| **Bloomberg code** | CSCUBLSF. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 18 December 2012.<br><br>This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | 29 January 1999.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 29 January 1999. Thus, the Index Value of 100 was fixed on 29 January 1999 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Commodity. |
| **Index Components** | The Index selects five Long Positions and five Short Positions out of a universe of 20 commodity markets (the "**Commodity Universe**"), covering the energy, precious metals, base metals, agricultural and livestock sectors. |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which both NYSE and Euronext are scheduled to be open. |
| **Fees and costs** | As part of the formula for calculating the Index Value, an index fee of 0.55% per annum is deducted daily (*pro rata*) from the Index Value.<br><br>There are no transaction costs embedded within the Index.<br><br>**The deduction of the index fee may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by reflecting the "commodity carry premium" within commodity futures markets.<br><br>**<u>Commodity carry premium</u>**<br><br>Commodities that are relatively undersupplied tend to outperform relatively well-supplied commodities:<br><br>- When the physical availability of a commodity is scarce, (i) consumers are more likely to buy such commodities today rather than in future and (ii) producers may delay selling commodities to benefit from expected higher prices. If this is the case, the commodity is said to be |

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in "backwardation" if the price of the Front Futures Contract is higher than futures contracts with a longer expiry date.

- When there is a surplus in the physical availability of a commodity, (i) consumers may be more willing to delay their purchase of such commodities to benefit from lower prices and (ii) producers may be more inclined to sell today. If this is the case, the commodity is said to be in "contango" if the price of the Front Futures Contract is lower than futures contracts with a longer expiry date.

Whether a commodity is in backwardation or contango can be used as a proxy for measuring physical scarcity as represented by a downward sloping curve (in the case of backwardation) or an upward sloping curve (in the case of contango). Investors may be able to benefit from holding Long Positions in undersupplied commodities, whilst also holding Short Positions in oversupplied commodities.

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**Index Description and Allocation Mechanism**

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**<u>Investment Universe</u>**

At any given time, the Index will hold Long Positions in five commodity futures contracts and Short Positions in five commodity futures contracts – each selected from the Commodity Universe.

Commodity futures contracts are exchange-traded instruments, which provide investors with exposure to a specific commodity, with varying expiry dates available to trade for several years in the future. Futures Contracts are linked to a specific commodity and are listed on a specific exchange, for example: monthly Crude Oil future contracts are listed and available to trade on the New York Mercantile Exchange.

**<u>Monthly Selection of Components</u>**

The strategy re-allocates based on the methodology described below on a monthly basis.

The relative scarcity of each commodity in the Commodity Universe is determined by reference to the gradient of the relevant curve representing the extent to which the futures contract is in backwardation or contango, specifically by measuring the difference between prices of the Front Futures Contract and futures contracts with a 6 month expiry on the curve.

The strategy then ranks each of the commodities in the Commodity Universe by their respective gradients and then allocates on a monthly basis:

- Long Positions in the five highest ranked commodities (which represent the commodities that currently exhibit the highest level of backwardation and the lowest level of contango); and

- Short Positions in the five lowest ranked commodities (which are equivalent to commodities currently exhibiting the lowest level of backwardation and highest level of contango).

The Long Positions in the strategy have a total weight of 50%, with 10% notional exposure allocated to each selected Long Position. The Short Positions in the strategy have a total weight of 50%, with 10% notional exposure allocated to each selected Short Position.

Here, (i) Long Positions in commodity futures contracts are obtained via notional investments in a series of Credit Suisse Commodity Benchmark 4x6F Segment Indices, which are Credit Suisse proprietary strategies

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|---|---|
| | that track the performance of a notional long investment across the $4^{th}$, $5^{th}$ or $6^{th}$ futures contract to expire in respect of a specific commodity future, which it rolls over a 15 day period from the $5^{th}$ business day prior to the end of the previous month, to the $9^{th}$ business day of such month and (ii) Short Positions in commodity futures contracts are obtained via notional investments in a series of Credit Suisse Multi-Asset Futures Indices, which are Credit Suisse proprietary strategies which track the performance of a notional long investment in the Front Futures Contract of a specific commodity future, which it rolls over the five day period between the $5^{th}$ to $9^{th}$ business day of the month.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the index fees, as set out above. |
| **Disruption Events and Consequences** | <u>**Disruption Events**</u><br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- Any suspension of or limitation imposed on trading by any stock exchange, futures exchange or other exchange (each an "**Exchange**") on which any commodity futures contract referenced (albeit notionally) as an underlying of a Component is quoted whether by reason of movements in price exceeding limits permitted by any relevant exchange or otherwise, which, taking into account all relevant exchanges, represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- Any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general to effect transactions in, or obtain market values for any commodity futures contract referenced (albeit notionally) as an underlying of a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index Value, or produced any other determination, that cannot be relied upon;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Calculation Day;<br><br>- The Index Administrator determines that the criteria for weighting allocations has produced a result that the Index Administrator reasonably believes cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the Index Rules includes an error, omission or ambiguity; |

- The ability of the Index Calculation Agent to determine the market value of a Component or an index or commodity futures contract underlying the Component for the purposes of calculating the Index Value is adversely affected;

- a Change in Law occurs where "**Change in Law**" means (A) the adoption of or any change in applicable law or regulation (including, without limitation, any tax law) or (B) 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 action taken by a taxing authority) which, in the determination of the Index Calculation Agent would (i) make it illegal for the Index Calculation Agent to perform its duties under the Index Rules or in respect of its hedging arrangements in respect of the Index or (ii) will cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under the Index Rules or in respect of its hedging arrangements (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

- A failure, suspension or postponement in the reporting or publishing of the value of any Component or an index or commodity futures contract underlying the Component as regularly scheduled, or any event that prevents the value of a Component or an index or commodity futures contract underlying the Component so published from being received by the people to whom it is published, whereby such event is, in the determination of the Index Calculation Agent, material; or

- Any circumstances where, although the value of a Component or an index or commodity futures contract underlying the Component is published, the Index Calculation Agent determines that such value is not accurate or that any transaction in respect of the Component or an index or commodity futures contract underlying the Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled.

**Consequences of a Disruption Event**

Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so, (i) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index, (ii) delay, suspend or terminate the publication of the Index, and/or (iii) adjust the price or level of any Component within the Index or, any other factor or variable involved in the calculation of the Index it deems necessary, in its reasonable opinion acting in good faith and in a commercially reasonable manner, to account for the relevant event described above.

## DESCRIPTION OF THE CREDIT SUISSE US RATES VRP WEEKLY ROLL 10X INDEX

<table>
<tr><th colspan="2">KEY INFORMATION RELATING TO THE INDEX</th></tr>
<tr><td>Index Name</td><td>Credit Suisse US Rates VRP Weekly Roll 10x Index.</td></tr>
<tr><td>Bloomberg code</td><td>CSVIUSXN.</td></tr>
<tr><td>Index Administrator</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Calculation Agent</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Launch Date</td><td>29 November 2017.<br><br>This is the date the Index was first launched by the Index Administrator.</td></tr>
<tr><td>Index Start Date</td><td>27 June 1994.<br><br>Even though the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 27 June 1994. Thus, the Index Value of 100 was fixed on 27 June 1994 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date.</td></tr>
<tr><td>Base Currency</td><td>USD.</td></tr>
<tr><td>Index Type</td><td>Excess Return.</td></tr>
<tr><td>Asset Class</td><td>Interest Rate.</td></tr>
<tr><td>Index Components</td><td>The Index is comprised of notional exposures to the following Components:<br><br>- a Short Position in a 1m10y USD Swaption Straddle (the "Swaption Component"); and<br><br>- a Long Position in a 10y USD Swap (the "Swap Component").<br><br>A swaption (also known as a "swap option") is the option that grants the owner the right, but not the obligation to enter into an underlying swap (in this case, an interest rate swap) at a specified price on a future specified date, in exchange for the payment of an option premium today.<br><br>- There are two types of interest rate swaptions: (i) a payer swaption where, if exercised, the purchaser of the swaption makes and receives payments as if they were the fixed-rate payer and the floating-rate receiver under the interest rate swap; and (ii) a receiver swaption where, if exercised, the purchaser of the swaption makes and receives payments as if they were the fixed-rate receiver and the floating-rate payer under the interest rate swap).<br><br>- A swaption straddle in this case refers to a combination of a receiver and a payer swaptions under the same transaction in respect of the same underlying interest rate swap.<br><br>- The 1m10y USD Swaption Straddle has a 1-month expiry combined payer and receiver swaption on the 10 year swap rate for USD.<br><br>- Swaptions are over-the-counter ("OTC") contracts and are not</td></tr>
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| | standardized like equity options or futures contracts. |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London (provided such day is also a business day according to the SIFMA (Securities Industry and Financial Markets Association) calendar (https://www.sifma.org/resources/general/holiday-schedule/). |
| **Fees and costs** | There are no index fees embedded within the Index.<br><br>The following transaction costs are deducted from the Index Value upon each rebalancing of the instruments:<br><br>- For the Swaption Component: 0.05%; and<br><br>- For the Swap Component: 0.003%.<br><br>**The deduction of the transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by reflecting the "volatility premium" within markets for interest rate options.<br><br>In this case, "volatility premium" refers to the tendency for the Implied Volatility of interest rates to exceed the Realised Volatility. Market participants may be able to benefit from the difference between Implied Volatility and Realised Volatility by selling a swaption straddle and hedging any delta exposure of the swaption straddle by gaining exposure to the underlying swap rate. The Index follows a similar strategy to achieve positive performance. |
| **Index Description and Allocation Mechanism** | The Index aims to capture this risk premium via the following strategy:<br><br>(i) Systematically selling 1m10y USD Swaption Straddles.<br><br>The strategy sells 1m10y USD Swaption Straddles equivalent to 1/5th of a 10x leveraged index notional on a weekly basis – on the 5th, 10th, 15th, 20th and 25th calendar day of every month (if not an Index Calculation Day, then on the immediately following Index Calculation Day).<br><br>This implies a total option notional exposure of 1000% sold.<br><br>(ii) Hedging any delta exposure of such swaption straddle by obtaining notional Long Positions in the 10y USD Swap rate.<br><br>The "delta exposure" of the 1m10y USD Swaption Straddle refers to the price sensitivity of the swaption straddle to a 1% move in the 10Y USD swap rate. Neutralising such delta exposure aims to mitigate the strategy's sensitivity to movements in the 10y USD Swap rate.<br><br>For example, a Swaption Straddle with a delta of 50% implies that a 1% increase in the 10y USD Swap rate would imply half of such increase in the price of such Swaption Straddle, i.e. +0.5%.<br><br>(iii) Upon 1-month expiry, the swaption straddle is physically settled and the Long Position in the 10y USD Swap rate is unwound. |

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| | The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the relevant fees and costs, as set out above. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- there is any event or circumstance that in the determination of the Index Administrator makes it impossible or impracticable to calculate the Index Value pursuant to the Index Rules;<br><br>- a change to the Index Rules is required to address an error, ambiguity or omission in the determination of the Index Administrator;<br><br>- the Index Administrator determines that:<br><br>o there has been a change in either (i) the liquidity of either the Swaption Component or Swap Component, (ii) the form of payment of a transaction linked to either the Swaption Component or Swap Component, or (iii) the trading volume, terms or listing of either the Swaption Component or Swap Component; or<br><br>o there has been a change in any applicable law or regulation, or any decision or promulgation of any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation;<br><br>o an event has occurred or a circumstance has arisen that means the value of either the Swaption Component or Swap Component is, in the determination of the Index Administrator, unreliable;<br><br>o either the Swaption Component or Swap Component is permanently discontinued or otherwise unavailable;<br><br>o there has been a change in the method by which the value of either the Swaption Component or Swap Component is calculated;<br><br>o an event has occurred that, in the determination of the Index Administrator (and/or its affiliates), has a material adverse effect on the ability of a market participant to establish, maintain, value, rebalance or unwind a hedge position (which may include physical investments or entering into futures contracts or OTC derivatives) in relation to an investment product linked to the Index;<br><br>o any other event which, either (i) in the determination of the Index Administrator has a material adverse impact on the ability of the Index Calculation Agent, or Index Administrator to perform its duties, or (ii) in the determination of the Index Administrator, serves to frustrate or affect the purpose or aims of the Index, or (iii) in the determination of the Index Administrator, the overall notional amount of products linked to the Index falls to a size which renders the continuation of the Index economically unviable for the Index Administrator; |

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| | - the Index Administrator determines that an Index Component Disruption Event has occurred;<br><br>- a closure of the money markets denominated in USD other than for ordinary public holidays, or a restriction or suspension in trading in these markets that would materially impact the determination arising in the construction or calculation of the Index and an Index Value;<br><br>- the failure, suspension or postponement of any calculation within the methodology of the Index in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of an Index Value, any other event, in the determination of the Index Administrator preventing the prompt or accurate determination of an Index Value, or the Index Administrator concludes that as a consequence of any such event that the last reported Index Value should not be relied upon; and<br><br>- the occurrence, in respect of any security, option, futures, derivative or foreign exchange contract or other instrument referenced in the calculation of the Index or either the Swaption Component or the Swap Component of (i) any suspension of or limitation imposed on trading by any relevant exchange or other trading facility, (ii) the closure of any relevant exchange or other trading facility before its scheduled closing time, or (iii) any other event that disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, the relevant contract.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, the Index Administrator may, but is not obliged to do so, (i) replace the Index with a successor index and/or replace the strategy with a similar successor strategy or an entirely new strategy at any time, as it deems appropriate in its discretion acting in good faith and in a commercially reasonable manner, (ii) suspend the calculation and publication of an Index Value and/or (iii) determine an Index Value on the basis of estimated or adjusted data and publish an estimated level of an Index Value and/or, the Index Administrator may, following such Disrupted Day, take any action including but not limited to designation of alternative price sources, reconstitution of the Index or a temporary change of Weights. |

## DESCRIPTION OF THE CREDIT SUISSE INTEREST RATES DYNAMIC CARRY 12 GLOBAL INDEX

| KEY INFORMATION RELATING TO THE INDEX | |
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| **Index Name** | Credit Suisse Interest Rates Dynamic Carry 12 Global Index. |
| **Bloomberg code** | CIRBDG2C. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 14 October 2016.<br><br>This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | 29 January 1999.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 29 January 1999. Thus, the Index Value of 100 was fixed on 29 January 1999 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Interest Rate. |
| **Index Components** | At any given time, the Index comprises a combination of Long Positions and/or Short Positions to 21 money market futures contracts across three rates (seven futures contracts per currency) via notional investments in the following Credit Suisse Rolling Interest Rates Futures Indices:<br><br>- Credit Suisse Rolling EuroDollar FND-2 Indices, which invests in seven USD 90-day Eurodollar futures contracts (from (and including) the $2^{nd}$ to the $8^{th}$ earliest expiring quarterly futures contract as quoted on the Chicago Mercantile Exchange (the "**CME**")):<br><br>o Credit Suisse Rolling Eurodollar (2nd Contract, Roll FND-2) ER Index (Bloomberg: CIRBD22E);<br><br>o Credit Suisse Rolling Eurodollar (3rd Contract, Roll FND-2) ER Index (Bloomberg: CIRBD32E);<br><br>o Credit Suisse Rolling Eurodollar (4th Contract, Roll FND-2) ER Index (Bloomberg: CIRBD42E);<br><br>o Credit Suisse Rolling Eurodollar (5th Contract, Roll FND-2) ER Index (Bloomberg: CIRBD52E);<br><br>o Credit Suisse Rolling Eurodollar (6th Contract, Roll FND-2) ER Index (Bloomberg: CIRBD62E);<br><br>o Credit Suisse Rolling Eurodollar (7th Contract, Roll FND-2) ER Index (Bloomberg: CIRBD72E); |

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| | o Credit Suisse Rolling Eurodollar (8th Contract, Roll FND-2) ER Index (Bloomberg: CIRBD82E);<br><br>- Credit Suisse Rolling Euribor FND-2 Indices, which invests in seven EUR 3-month Euribor futures contracts (from (and including) the 2nd to the 8th earliest expiring quarterly futures contract as quoted on the Intercontinental Exchange (the "**ICE**")):<br><br>o Credit Suisse Rolling Euribor (2nd Contract, Roll FND-2) ER Index (Bloomberg: CIRBE22E);<br><br>o Credit Suisse Rolling Euribor (3rd Contract, Roll FND-2) ER Index (Bloomberg: CIRBE32E);<br><br>o Credit Suisse Rolling Euribor (4th Contract, Roll FND-2) ER Index (Bloomberg: CIRBE42E);<br><br>o Credit Suisse Rolling Euribor (5th Contract, Roll FND-2) ER Index (Bloomberg: CIRBE52E);<br><br>o Credit Suisse Rolling Euribor (6th Contract, Roll FND-2) ER Index (Bloomberg: CIRBE62E);<br><br>o Credit Suisse Rolling Euribor (7th Contract, Roll FND-2) ER Index (Bloomberg: CIRBE72E);<br><br>o Credit Suisse Rolling Euribor (8th Contract, Roll FND-2) ER Index (Bloomberg: CIRBE82E); and<br><br>- Credit Suisse Rolling 90d Sterling FND-2 Indices, which invests in seven GBP 90-day Sterling future contracts (from (and including) the 2nd to the 8th earliest expiring quarterly contract as quoted on ICE):<br><br>o Credit Suisse Rolling 90d Sterling (2nd Contract, Roll FND-2) ER Index (Bloomberg: CIRBL22E);<br><br>o Credit Suisse Rolling 90d Sterling (3rd Contract, Roll FND-2) ER Index (Bloomberg: CIRBL32E);<br><br>o Credit Suisse Rolling 90d Sterling (4th Contract, Roll FND-2) ER Index (Bloomberg: CIRBL42E);<br><br>o Credit Suisse Rolling 90d Sterling (5th Contract, Roll FND-2) ER Index (Bloomberg: CIRBL52E);<br><br>o Credit Suisse Rolling 90d Sterling (6th Contract, Roll FND-2) ER Index (Bloomberg: CIRBL62E);<br><br>o Credit Suisse Rolling 90d Sterling (7th Contract, Roll FND-2) ER Index (Bloomberg: CIRBL72E); and<br><br>o Credit Suisse Rolling 90d Sterling (8th Contract, Roll FND-2) ER Index (Bloomberg: CIRBL82E).<br><br>The Credit Suisse Rolling Interest Rates Futures Indices are Credit Suisse proprietary strategies which track the performance of a notional Long Position in the relevant contract of a specific money market future, which it rolls on a specific day before expiry. |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which: |

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| | (i) the financial market in which the underlying money market future contracts are traded, is open, and for which such contracts are scheduled to be assigned a settlement price;<br><br>(ii) commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London; and<br><br>(iii) commercial banks are open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the relevant currency as published by Thomson Reuters. |
| **Fees and costs** | The following access costs (per annum) are deducted daily (pro rata) from the value of the Credit Suisse Rolling Interest Rates Futures Indices:<br><br>- Credit Suisse Rolling EuroDollar FND-2 Indices: 0.02% per annum;<br><br>- Credit Suisse Rolling Euribor FND-2 Indices: 0.02% per annum; and<br><br>- Credit Suisse Rolling 90d Sterling FND-2 Indices: 0.04% per annum.<br><br>The following transaction costs are deducted from the value of the Credit Suisse Rolling Interest Rates Futures Indices upon each rebalancing of the money market futures contracts:<br><br>- Credit Suisse Rolling EuroDollar FND-2 Indices: 0.005%;<br><br>- Credit Suisse Rolling Euribor FND-2 Indices: 0.005%; and<br><br>- Credit Suisse Rolling 90d Sterling FND-2 Indices: 0.010%.<br><br>**The deduction of access costs and transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by capturing the "term premium" embedded within money market futures contracts as follows:<br><br>− Based on empirical evidence, in normal market conditions, expectations of what interest rates will be in the future tend to be higher than the actual interest rates realised in the future.<br><br>− Such overstatement of future interest rates results in a tendency for interest rate futures instruments, such as money market futures contracts to be priced more cheaply.<br><br>− Therefore, an investor may be able to benefit from such term premium and profit from the difference between the price at which a money market futures contract is purchased and the price at which such money market futures contract can be sold in the future.<br><br>**<u>Money Market Futures</u>**<br><br>Money market futures are exchange-traded instruments, with quarterly contract expiry dates available for March, June, September and December in each year for several years into the future.<br><br>The money market futures contracts underlying this Index are linked to short-term interest rates for example: 3 month Euribor (a 3m Euro Euribor future), 3 month USD Libor (a 90 day Eurodollar future) or 3 month GBP Libor (90 day Sterling future). |

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| | The money market futures contract's value is calculated as 100 minus the predicted future interest rate. Hence, holding a long position in an interest rate future contract for a given expiry will see its value increase / decrease as the underlying rate decreases / increases.<br><br>**<u>Credit Suisse Rolling Interest Rates Futures Indices</u>**<br><br>Credit Suisse Rolling Interest Rate Futures Indices vary by underlying, contract, and date of roll. For example Credit Suisse Rolling Eurodollar (2nd Contract, Roll FND-2) ER Index tracks the performance of a notional long investment in the second quarterly money markets futures contract to expire of the USD 90-day Eurodollar futures contract, which it rolls two days before expiry. |
| **Index Description and Allocation Mechanism** | **<u>Monthly Rebalancing Calculation</u>**<br><br>On a monthly basis, for each of the 21 money market futures invested via a Credit Suisse Rolling Interest Rates Futures Index, the strategy will determine whether it takes a synthetic Long Position or a Short Position based on the calculation of a "**Slope Indicator**", which aims to indicate if, based on current price, a particular money market futures contract has a positive or negative yield.<br><br>For each money market futures contract, the Slope Indicator is calculated as the difference between (i) the value of the immediately preceding contract, minus (ii) the value of such money market futures contract.<br><br>For example, the Slope Indicator for the Credit Suisse Rolling Interest Rates Futures Index tracking the performance of the eighth Euribor futures contract is calculated as (i) the value of the 7th quarterly 3-month Euribor futures contract, minus (ii) the value of the 8th quarterly 3-month Euribor futures contract.<br><br>- The index will notionally invest in a Long Position if the Slope indicator has a positive value; and<br><br>- The index will notionally invest in a Short Position if the Slope Indicator has a negative value.<br><br>**<u>Position Weights</u>**<br><br>Each of the 21 positions in Credit Suisse Rolling Interest Rates Futures indices will be assigned a daily fixed target weight of 57.14% (+/- depending on the calculation of the Slope Indicator).<br><br>This implies a total of 400% gross exposure per rate, and an overall strategy total of 1200% gross exposure, thus providing leveraged exposure to money market futures contracts.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each Index Component, adjusted for its respective effective weight, minus the relevant Fees and Costs, if any, as defined above. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following events occurs:<br><br>- The foreign exchange market or interest rate market in the relevant currency is or are closed otherwise than for ordinary scheduled public holidays or if trading thereupon is restricted or suspended and, in the |

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| | determination of the Index Calculation Agent, this would have a material impact on the ability of the Index Calculation Agent to determine the Index Value accurately, in a timely manner or at all or to execute a transaction in respect of replicating the Index or a Component in any such market;<br><br>- An event pursuant to which the Index Calculation Agent determines that a substantial number of transactions in relation to the replication of the Index would be rendered impracticable or if purchases and sales of instruments necessary to replicate a substantial portion of the Index would not be capable of being effected;<br><br>- Any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general to effect transactions in, or obtain market values for any instrument referenced (albeit notionally) as an underlying of a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value should not be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index Value, or produced any other determination, that cannot be relied upon;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Calculation Day;<br><br>- The Index Administrator determines that the index calculation methodology of the Index has resulted in the calculation of a Slope Indicator that the Index Administrator reasonably believes cannot be relied upon;<br><br>- The failure, suspension or postponement of the index calculation methodology of the Index to calculate a Slope Indicator on the relevant day;<br><br>- The Index Administrator reasonably believes that the Index Rules include an error, omission or ambiguity;<br><br>- The ability of the Index Calculation Agent to determine the market value of a Component or an index or money market futures contract underlying the Component for the purposes of calculating the Index is adversely affected;<br><br>- the Index Administrator determines there has been a Change in Law where "Change in Law" means (A) the adoption of or any change in applicable law or regulation (including, without limitation, any tax law) or (B) 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 action taken by a taxing authority) which, in the determination of the Index Calculation Agent (in its sole discretion) would (i) make it illegal for the Index Calculation Agent to perform its duties under the Index Rules or in respect of its |

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| | hedging arrangements or (ii) will cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under the Index Rules or in respect of its hedging arrangements (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);<br><br>- A failure, suspension or postponement in the reporting or publishing of the value of any a Component or an index or money market futures contract underlying the Component as regularly scheduled, or any event that prevents the value of a Component or an index or money market futures contract underlying the Component so published from being received by the people to whom it is published, whereby such event is, in the determination of the Index Calculation Agent, material; or<br><br>- Any circumstances where, although the value of an underlying index or related instrument is published, the Index Calculation Agent determines that such value is not accurate or that any transaction in respect of the Component or an index or money market futures contract underlying the Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so (i) delay, suspend or terminate the calculation and publication of the Index Value and/or (ii) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index Value and/or, (iii) take any action, including but not limited to, using the most recent Slope Indicator calculations, designate alternative price sources, and/or alternative exchange rate calculations, reconstitute the Index (e.g., a change in weights). |

## DESCRIPTION OF THE CREDIT SUISSE CUSTOM 24F ALPHA EXCESS RETURN INDEX

| KEY INFORMATION RELATING TO THE INDEX | |
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| **Index Name** | Credit Suisse Custom 24F Alpha Excess Return Index. |
| **Bloomberg code** | CSCUS24F. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 15 February 2012.<br><br>This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | 30 January 1998.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 30 January 1998. Thus, the Index Value of 100 was fixed on 30 January 1998 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Commodity. |
| **Index Components** | The Index is comprised of notional exposures to the following Components:<br><br>- A Long Position in the Credit Suisse Custom 24 (long-only) Excess Return Index (Bloomberg: CSCUS24E); and<br><br>- A Short Position in the Bloomberg Commodity Excess Return Index (Bloomberg: BCOM). |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which the prices for each of the commodity futures contracts underlying the Components are scheduled to be published. |
| **Fees and Costs** | As part of the formula for calculating the Index Value, an index fee of 2.05% per annum is deducted daily (*pro rata*) from the Index Value.<br><br>There are no transaction costs embedded within the Index.<br><br>**The deduction of the index fee may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by reflecting the "commodity congestion/liquidity premium" within commodity futures markets.<br><br>"Commodity congestion/liquidity premium" refers to the tendency in commodity markets for supply and demand imbalances to arise around the Bloomberg Commodity Index roll period. This is known as the "congestion effect", which creates a premium on the risk that commodities may be unavailable (a "**liquidity premium**") outside the roll |

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| | period. The liquidity premium can be exploited by avoiding the period of congestion around the time of the Bloomberg Commodity Index roll.<br><br>Investors may be able to benefit from such congestion/liquidity premium by holding Long Positions in a commodity index that rolls its exposure before of the standard Bloomberg Commodity Index roll period, whilst also holding Short Positions in the Bloomberg Commodity Index itself (which rolls from the fifth to the ninth business day of each month).<br><br>The roll period describes the period during which an index sells a commodity futures contract and buys the next selected one, thereby rolling from one commodity futures contract to another. |
| **Index Description and Allocation Mechanism** | At any given time, the Index will hold Long Positions and Short Positions in the constituents of the Bloomberg Commodity Index, which comprises 22 commodity futures contracts across the energy, precious metals, base metals, agricultural and livestock sectors.<br><br>The Long Positions in commodity futures contracts are obtained via the Credit Suisse Custom 24 (long only) Excess Return Index, which is a Credit Suisse proprietary strategy which invests in the 22 commodity futures contracts comprised within the Bloomberg Commodity Index but rolls its underlying commodity futures contracts between the $6^{th}$ and $3^{rd}$ business day prior to the start of each month. The weights allocated weights to the commodity futures contracts reflect the effective weights assigned to the components of the Bloomberg Commodity Index on a monthly basis.<br><br>The Short Positions in commodity futures contracts are obtained via the Bloomberg Commodity Index, which invests in 22 commodity futures contracts and rolls the underlying commodity futures contracts based on a pre-defined contract roll matrix over a roll period between the $5^{th}$ and $9^{th}$ index business day of each month. The allocation of weights to commodity futures is determined by Bloomberg on an annual basis.<br><br>The Index provides a 1000% leveraged exposure to the Long Position in the Credit Suisse Custom 24 Alpha Excess Return Index and the a -1000% leveraged exposure to the Short Position in the Bloomberg Commodity BCOM Index.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective weight, minus the index fee, as set out above. |
| **Disruption Events and Consequences** | <u>**Disruption Events**</u><br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following events occurs:<br><br>- Any suspension of or limitation imposed on trading by any stock exchange, futures exchange or other exchange on which any commodity futures contract referenced (albeit notionally) as an underlying of a Component is quoted whether by reason of movements in price exceeding limits permitted by any relevant exchange or otherwise, which, taking into account all relevant exchanges, represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- Any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general to effect |

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| | transactions in, or obtain market values for any commodity futures contract referenced (albeit notionally) as an underlying of a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index Value, or produced any other determination, that cannot be relied upon;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Business Day;<br><br>- The Index Administrator reasonably believes that the Index Rules include an error, omission or ambiguity;<br><br>- The ability of the Index Calculation Agent to determine the market value of a Component or an index or commodity futures contract underlying the Component for the purposes of calculating the Index is adversely affected;<br><br>- the Index Administrator determines there has been a Change in Law where "Change in Law" means (A) the adoption of or any change in applicable law or regulation (including, without limitation, any tax law) or (B) 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 action taken by a taxing authority) which, in the determination of the Index Calculation Agent (in its sole discretion) would (i) make it illegal for the Index Calculation Agent to perform its duties under the Index Rules or in respect of its hedging arrangements or (ii) will cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under the Index Rules or in respect of its hedging arrangements (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);<br><br>- A failure, suspension or postponement in the reporting or publishing of the value of any Component or an index or commodity futures contract underlying the Component as regularly scheduled, or any event that prevents the value of a Component or an index or commodity futures contract underlying the Component so published from being received by the people to whom it is published, whereby such event is, in the determination of the Index Calculation Agent, material; or<br><br>- Any circumstances where, although the value of an underlying index or related futures contract is published, the Index Calculation Agent determines that such value is not accurate or that any transaction in respect of the Component or an index or commodity futures contract underlying the Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly |

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| | scheduled.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may (i) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index, (ii) delay, suspend or terminate the publication of the index, and/or (iii) adjust the price or level of any Component within the Index or, any other factor or variable involved in the calculation of the Index it deems necessary, in its reasonable opinion, to account for the relevant event described above. |

## DESCRIPTION OF THE CREDIT SUISSE CUSTOM 66I ALPHA EXCESS RETURN INDEX

| KEY INFORMATION RELATING TO THE INDEX | |
|---|---|
| **Index Name** | Credit Suisse Custom 66I Alpha Excess Return Index. |
| **Bloomberg code** | CSCUD66I. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 18 June 2014.<br><br>This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | 30 January 1998.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 30 January 1998. Thus, the Index Value of 100 was fixed on 30 January 1998 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Commodity. |
| **Index Components** | The Index is comprised of notional exposures to the following Components:<br><br>- A Long Position in the Credit Suisse Custom 66 (long-only) Excess Return Index (Bloomberg: CSCUD66E); and<br><br>- A Short Position in the Bloomberg Commodity Excess Return Index (Bloomberg: BCOM). |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which the prices for each of the commodity futures contracts underlying the Components are scheduled to be published. |
| **Fees and costs** | As part of the formula for calculating the Index Value, an index fee of 0.37% per annum is deducted daily (*pro rata*) from the Index Value.<br><br>There are no transaction costs embedded within the Index.<br><br>**The deduction of the index fee may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by reflecting the "seasonality premium" within the commodity futures markets.<br><br>The "seasonality premium" refers to the returns that could be achieved from the seasonal pricing patterns that tend to be observed in the raw materials markets. For example, there are seasonal demand spikes in the energy commodity sector during the annual driving season in the US during the summer, the period during which there is greater demand for |

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| | air conditioning during the summer and the period during the winter when more heating is required. During these periods the prices of affected energy commodities tend to rise. There are also seasonal supply spikes, such as during the harvest season for agricultural commodities, when prices in the affected commodities decrease.<br><br>By rolling into new commodity futures contracts before such trends manifest, and limiting the number of times commodity futures contracts are rolled to two per year, the Long Position of the Index aims to benefit from both the seasonal pricing patterns while also mitigating the cost of rolling into new commodity futures contracts.<br><br>Investors may be able to benefit from such seasonality premium by holding Long Positions in an index that rolls its exposure twice a year into pre-defined contracts, and Short Positions in the Bloomberg Commodity Index itself. |
| **Index Description and Allocation Mechanism** | The Index aims to reflect the seasonality premium by taking a notional Long Position in the Credit Suisse Custom 66 (long-only) Excess Return Index, and taking an equivalent notional Short Position in the Bloomberg Commodity Excess Return Index.<br><br>The 100% Long Position in the Credit Suisse Custom 66 (long-only) Excess Return Index consists of the 22 commodities, which comprise the Bloomberg Commodity Excess Return Index and which represent the energy, precious and base metals as well as the agriculture and livestock sectors. The weights allocated to the underlying commodities of the Credit Suisse Custom 66 (long only) Excess Return Index replicate the effective weighting of the Bloomberg Commodity Excess Return Index on a monthly basis. It rolls the commodity futures contracts twice a year, into pre-defined contracts.<br><br>The -100% Short Position in the Bloomberg Commodity Excess Return Index is comprised of 22 commodities, in the energy, precious and base metals as well as the agriculture and livestock sectors. It rolls commodity futures contracts on the basis of a pre-defined methodology for rolling the commodities futures contracts, which determines which new commodity futures contract the Index will roll into. The roll period of Bloomberg Commodity Excess Return Index starts on the fifth business day and ends on the ninth business day of each month. It rolls every second month into the commodity futures contract with the next nearest expiry date, and holds each commodity futures contract until the next roll period.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the index fee, as set out above. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following events occurs:<br><br>- Any suspension of or limitation imposed on trading by any stock exchange, futures exchange or other exchange on which any futures contract referenced (albeit notionally) as an underlying of a Component is quoted whether by reason of movements in price exceeding limits permitted by any relevant exchange or otherwise, which, taking into account all relevant exchanges, represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator; |

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| | - Any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general to effect transactions in, or obtain market values for any commodity futures contract referenced (albeit notionally) as an underlying of a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index Level, or produced any other determination, that cannot be relied upon;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Business Day;<br><br>- The Index Administrator reasonably believes that the Index Rules include an error, omission or ambiguity;<br><br>- The ability of the Index Calculation Agent to determine the market value of an underlying index or related commodity futures contract for the purposes of calculating the Index is adversely affected;<br><br>- the Index Administrator determines there has been a Change in Law where "Change in Law" means (A) the adoption of or any change in applicable law or regulation (including, without limitation, any tax law) or (B) 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 action taken by a taxing authority) which, in the determination of the Index Calculation Agent (in its sole discretion) would (i) make it illegal for the Index Calculation Agent to perform its duties under the Index Rules or in respect of its hedging arrangements or (ii) will cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under the Index Rules or in respect of its hedging arrangements (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);<br><br>- A failure, suspension or postponement in the reporting or publishing of the value of any Component or an index or commodity futures contract underlying the Component as regularly scheduled, or any event that prevents the value of a Component or an index or commodity futures contract underlying the Component so published from being received by the people to whom it is published, whereby such event is, in the determination of the Index Calculation Agent, material; or<br><br>- Any circumstances where, although the value of an underlying index or related futures contract is published, the Index Calculation Agent determines that such value is not accurate or that any transaction in respect of the Component or an index or commodity futures contract underlying the Component could not be transacted at such value or with a cash consideration in full, and to be received as regularly |

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| | scheduled.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so (i) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index, (ii) delay, suspend or terminate the publication of the Index, and/or (iii) adjust the price or level of any Component within the Index or, any other factor or variable involved in the calculation of the Index it deems necessary, in its reasonable opinion, to account for the relevant event described above |

## DESCRIPTION OF THE CREDIT SUISSE SHORT VIX 1% USD INDEX

| KEY INFORMATION RELATING TO THE INDEX | |
|---|---|
| **Index Name** | Credit Suisse Short VIX 1% USD Index Excess Return. |
| **Bloomberg code** | CSVPSVUE. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 3 October 2016. This is the date the Index was first launched by the Index Administrator. |
| **Index Start Date** | 21 August 2006.<br><br>Although the Index did not exist until the Index Launch Date, it has been constructed as if it were launched on 21 August 2006. Thus, the Index Value of 1000 was fixed on 21 August 2006 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Equity. |
| **Index Components** | The Index is composed of two components:<br><br>1. A Short Position in a Futures Contract linked to the VIX Index with the closest expiry date; and<br><br>2. A Short Position in a second Futures Contract linked to the VIX Index with the next following expiry date,<br><br>each a "**VIX futures**".<br><br>The CBOE Volatility Index (the "**VIX Index**") is a measure of market expectations of short-term volatility, as implied by prices of S&P 500 Index Options. More specifically, the VIX Index reflects the expected volatility of the S&P 500 Index over a period of the next 30 days. |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An "**Index Calculation Day**" is each day on which a price for VIX futures is available on the Chicago Board Options Exchange. |
| **Fees and costs** | Upon each rebalancing, a transaction cost of 0.10% per Index Component is deducted from the Index Value. Index rebalancing is described under "Index Description and Allocation Mechanism" below.<br><br>**The deduction of transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by capturing the "volatility premium" within markets for equity options and VIX futures.<br><br>In this case, "volatility premium" refers to the tendency for the Implied |

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| | Volatility of equities to exceed the Realised Volatility. This difference is most apparent in broad market equity index underlyings such as the S&P 500 Index, the volatility of which is reflected through the VIX Index.<br><br>Market participants may be able to benefit from the difference between Implied Volatility and Realised Volatility in the S&P 500 Index by reflecting the position of a seller of options on S&P 500 Index through investing in short term VIX futures. The Index follows a similar strategy to target positive performance.<br><br>The VIX futures price for a given expiry date can be interpreted as the "expected" VIX Index value for such date. Therefore, if an investor were to buy a VIX futures at a certain level, and such level turns out to be higher than the VIX Index value on the day where the VIX futures expires, the investor would make a loss. |
| **Index Description and Allocation Mechanism** | On any Index Calculation Day, the Index will hold a weighted Short Position in the two Index Components in order to reflect the performance of a VIX futures with a constant time to expiry of 1 month.<br><br>As VIX futures are quoted on monthly expiry dates, on any day the contract with the closest expiry date (the "**first closest contract**") will have a time to expiry of one month or less while the contract with the next closest expiry date (the "**second closest contract**") will have a time to expiry of between one and two months. As a result, to achieve a constant time to expiry of 1 month, the Index needs to rebalance the allocation from that first closest contract into that second closest contract on a daily basis. This means that on an Index Calculation Day falling on an expiry date, the Index's exposure to the first closest contract will be reduced to zero, as such contract will expire on such date.<br><br>The Short Positions in the VIX futures are scaled on a daily basis to achieve a constant vega exposure of 1%.<br><br>The vega is a metric which measures the theoretical sensitivity of the Index to variations in the value of the VIX Index. For instance, a vega exposure of 1% means that a decrease in the value of the VIX Index of 1 point on a particular day is expected to translate in a positive return for the Index of about 1% for the same day.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the relevant fees and costs, as set out above. |
| **Disruption Events and Consequences** | <u>**Disruption Events**</u><br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- a closure of the money markets denominated in a relevant currency as determined by the Index Administrator other than for ordinary public holidays, or a restriction or suspension in trading in these markets that would materially impact the determination arising in the construction or calculation of the Index and an Index Value;<br><br>- the failure, suspension or postponement of any calculation within the Index Strategy in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of an Index Value, any other event, in the determination of the Index |

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| | Administrator preventing the prompt or accurate determination of an Index Value, or the Index Administrator concludes that as a consequence of any such event that the last reported Index Value should not be relied upon;<br><br>- the occurrence, in respect of any security, option, futures, derivative or foreign exchange contract or other instrument referenced in the calculation of the Index or any Index Component, of (i) any suspension of or limitation imposed on trading by any relevant exchange or other trading facility, (ii) the closure of any relevant exchange or other trading facility before its scheduled closing time, or (iii) any other event that materially disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, the relevant contract;<br><br>- any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange in respect of a VIX futures;<br><br>- any event (other than an Early Closure) that disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, any VIX futures;<br><br>- the relevant Exchange, if applicable, permanently cancels the relevant VIX futures;<br><br>- the relevant Exchange, if applicable, fails to calculate and announce the relevant VIX futures, as determined by the Exchange, on a day on which it was scheduled to do so;<br><br>- the relevant Exchange, if applicable, makes or announces that it will make a material change in the formula for, or the method of, calculating the relevant VIX futures, or in any other way materially modifies such VIX futures; or<br><br>- a Volatility Reference Index Disruption Event occurs.<br><br>Where:<br><br>"**Component**" means, in respect of a Volatility Reference Index, any share, security, commodity, rate, index or other component included in such Volatility Reference Index, as determined by the Index Administrator;<br><br>"**Early Closure**" means, in respect of a VIX futures or a Volatility Reference Index (as applicable), the closure on any Exchange Business Day of any relevant Exchange or 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 on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the scheduled closing time on such Exchange Business Day;<br><br>"**Exchange**" means, in respect of any VIX futures or any Components of a Volatility Reference Index (as applicable), the exchange(s) or quotation system(s) (from time to time) on which, in the determination of the Index Administrator, such VIX futures or Components (as applicable) are listed or quoted and, if the Index Administrator in its discretion so determines, |

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| | on which any depositary receipts in respect of such VIX futures or Components (as applicable) are listed or quoted in which event references to the VIX futures or Components (as applicable) may, where the Index Administrator determines the context to permit, include such depositary receipts;<br><br>"**Exchange Business Day**" means:<br><br>(i) in respect of a VIX futures or a Volatility Reference Index which is a Single-Exchange Index, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions; and<br><br>(ii) in respect of a Volatility Reference Index which is a Multi-Exchange Index, any Scheduled Trading Day on which the Volatility Reference Index Administrator publishes the level of the Volatility Reference Index and each Related Exchange is open for trading during its regular trading session,<br><br>in each case, notwithstanding any such Exchange closing before its scheduled closing time;<br><br>"**Exchange Disruption**" means, in respect of a Volatility Reference Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general (a) to effect transactions in, or obtain market values for, (in the case of a Multi-Exchange Index) any Component of the Volatility Reference Index (and, if the Index Administrator in its discretion so determines, any depositary receipts in respect of such securities) on any relevant Exchange or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Volatility Reference Index Disruption Threshold or more of the level of the Volatility Reference Index on any relevant Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to the relevant Volatility Reference Index on any relevant Related Exchange;<br><br>"**Market Disruption Event**" means, in respect of a Volatility Reference Index, the occurrence or existence of a Trading Disruption or an Exchange Disruption, which in either case the Index Administrator determines is material, at any time during the one-hour period that ends at the scheduled closing time of the relevant Exchange, or an Early Closure provided that, in the case of a Multi-Exchange Index (other than where the Market Disruption Event relates to futures or options contracts relating to that Multi-Exchange Index), the Components of the Volatility Reference Index in respect of which an Early Closure, Exchange Disruption and/or Trading Disruption occurs or exists amount, in the determination of the Index Administrator, in aggregate to a percentage equal to the Volatility Reference Index Disruption Threshold or more of the level of the Volatility Reference Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a Component included in the relevant Volatility Reference Index at any time, then the relevant percentage contribution of that Component to the level of the relevant Volatility Reference Index shall be based on a comparison of (i) the portion of the level of the relevant Volatility Reference Index attributable to that Component, and (ii) the overall level of the relevant Volatility Reference Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Index Administrator;<br><br>"**Multi-Exchange Index**" means any Volatility Reference Index which is determined by the Index Administrator as being composed of |

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| | Components which are principally traded on more than one exchange;<br><br>"**Related Exchange**" means in relation to a Volatility Reference Index, each exchange or quotation system where trading has a material effect (as determined by the Index Administrator) on the overall market for futures or options contracts relating to such Volatility Reference Index;<br><br>"**Scheduled Trading Day**" means, in respect of:<br><br>(i) a VIX futures or a Single-Exchange Index, any day on which each Exchange and each Related Exchange for such Single-Exchange Index are scheduled to be open for trading for their respective regular trading sessions;<br><br>(ii) a Multi-Exchange Index, any day on which the Volatility Reference Index Administrator is scheduled to publish the level of the Multi-Exchange Index and each Related Exchange for such Multi-Exchange Index is scheduled to be open for trading for its regular trading session;<br><br>(iii) any Component referenced by a Volatility Reference Index which is a share, any day on which the relevant Exchange and the relevant Related Exchange for such share are scheduled to be open for trading for their respective regular trading sessions; and<br><br>(iv) any Component which is not a share, any day on which the value, level or price, as is applicable, is scheduled to be published or disseminated, or is otherwise scheduled to be available;<br><br>"**Single-Exchange Index**" means any Volatility Reference Index which is determined by the Index Administrator to be composed of Components which are all principally traded on the same exchange;<br><br>"**Trading Disruption**" means, in respect of a Volatility Reference Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any Component of the Volatility Reference Index or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Volatility Reference Index Disruption Threshold or more of the level of the Volatility Reference Index, or (b) in futures or options contracts relating to the relevant Volatility Reference Index on any relevant Related Exchange;<br><br>"**Volatility Reference Index**" means the VIX Index;<br><br>"**Volatility Reference Index Administrator**" means, in relation to a Volatility Reference Index, the corporation or other entity as determined by the Index Administrator that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such Volatility Reference Index, and (b) announces (directly or through an agent) the level of such Volatility Reference Index on a regular basis during each Scheduled Trading Day;<br><br>"**Volatility Reference Index Adjustment Event**" means, in respect of a Volatility Reference Index, a Volatility Reference Index Cancellation, a Volatility Reference Index Disruption or a Volatility Reference Index Modification;<br><br>"**Volatility Reference Index Cancellation**" means, in respect of a Volatility Reference Index, the relevant Volatility Reference Index |

Administrator, if applicable, permanently cancels such Volatility Reference Index;

"**Volatility Reference Index Disruption**" means, in respect of a Volatility Reference Index, the relevant Volatility Reference Index Administrator, if applicable, fails to calculate and announce such Volatility Reference Index, as determined by the Index Administrator, on a day on which it was scheduled to do so;

"**Volatility Reference Index Disruption Event**" means the occurrence of one of the following events:

- a Market Disruption Event;
- a Volatility Reference Index Adjustment Event; or
- any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants (or the Index Administrator and/or its affiliates) in general to effect transactions in, or obtain market values for, futures or options contracts referencing a Volatility Reference Index

"**Volatility Reference Index Disruption Threshold**" means 20%; and

"**Volatility Reference Index Modification**" means, in respect of a Volatility Reference Index, the relevant Volatility Reference Index Administrator, if applicable, makes or announces that it will make a material change in the formula for, or the method of, calculating such Volatility Reference Index, or in any other way materially modifies such Volatility Reference Index (other than a modification prescribed in that formula or method to maintain such Volatility Reference Index in the event of changes in the Components, capitalisation and/or other routine events).

**Consequences of a Disruption Event**

Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so, (i) suspend the calculation and publication of an Index Value and/or (ii) determine an Index Value on the basis of estimated or adjusted data and publish an estimated level of an Index Value and/or (iii) take any other action including, but not limited to, designating alternative price sources, reconstituting the Index or a temporarily changing allocation.

Where the Index Administrator uses estimated or adjusted data, it will do this with the primary intention of maintaining, so far as commercially reasonable, consistency of the objective of the Index. Any such estimate of the value of an index component will be made by the Index Administrator using the most recent methodology and calculations for determining the value of such index component.

## DESCRIPTION OF THE CREDIT SUISSE FX EM 2 EXCESS RETURN INDEX

<table>
<tr><th colspan="2">KEY INFORMATION RELATING TO THE INDEX</th></tr>
<tr><td>Index Name</td><td>Credit Suisse FX EM 2 Excess Return Index.</td></tr>
<tr><td>Bloomberg code</td><td>FXMXEEU2.</td></tr>
<tr><td>Index Administrator</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Calculation Agent</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Launch Date</td><td>11 March 2010.<br><br>This is the date the Index was first launched by the Index Administrator.</td></tr>
<tr><td>Index Start Date</td><td>14 June 1999.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 14 June 1999. Thus, the Index Value of 100 was fixed on 14 June 1999 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date.</td></tr>
<tr><td>Base Currency</td><td>USD.</td></tr>
<tr><td>Index Type</td><td>Excess Return.</td></tr>
<tr><td>Asset Class</td><td>FX.</td></tr>
<tr><td>Index Components</td><td>The Index is comprised of a notional investment in a basket of:<br><br>(i) ten FX Forward Contracts linked to G10 currencies being: USD, CHF, EUR, GBP, NOK, SEK, AUD, JPY, NZD and CAD (the "G10 Currencies"); and<br><br>(ii) eight emerging market currencies being: TRY, ZAR, BRL, MXN, PLN, HUF, CZK, SGD (the "Emerging Market Currencies").</td></tr>
<tr><td>Scheduled frequency of publication</td><td>The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which commercial banks are open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the relevant currency as published by Thomson Reuters.</td></tr>
<tr><td>Fees and costs</td><td>There are no index fees embedded within the Index.<br><br>Upon each rebalancing, the Index deducts transaction costs from the Index Value for each required currency transaction as disclosed in the table below.<br><br>The deduction of such transaction costs may significantly reduce the Index Value from what it would otherwise be.<br><br><table><tr><th>Currency</th><th>Fixed cost (bid/mid or ask/mid) in bps</th></tr><tr><td>CHF</td><td>2.0</td></tr></table></td></tr>
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<tr><td></td><td>
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<tr><td>EUR</td><td>2.0</td></tr>
<tr><td>GBP</td><td>2.0</td></tr>
<tr><td>NOK</td><td>4.0</td></tr>
<tr><td>SEK</td><td>3.0</td></tr>
<tr><td>AUD</td><td>3.0</td></tr>
<tr><td>JPY</td><td>2.0</td></tr>
<tr><td>NZD</td><td>3.0</td></tr>
<tr><td>CAD</td><td>2.0</td></tr>
<tr><td>TRY</td><td>5.0</td></tr>
<tr><td>ZAR</td><td>5.0</td></tr>
<tr><td>BRL</td><td>5.0</td></tr>
<tr><td>MXN</td><td>4.0</td></tr>
<tr><td>PLN</td><td>4.0</td></tr>
<tr><td>HUF</td><td>8.0</td></tr>
<tr><td>CZK</td><td>7.5</td></tr>
<tr><td>SGD</td><td>5.0</td></tr>
</table>
</td></tr>
<tr><td>Object of the Index</td><td>
The Index aims to generate positive returns by reflecting the "currency carry premium" between the Emerging Market Currencies and G10 Currencies.
The currency carry premium refers to the difference in returns that may be achieved between currencies with higher interest rates and currencies with lower interest rates. Due to the higher degree of risk that is generally associated with emerging markets, their currencies are expected to have higher interest rates compared to the developed markets of the G10 countries.
Investors may be able to benefit from such currency carry premium by holding Long Positions in the higher-yielding Emerging Market Currencies (investing in the Emerging Market Currencies), whilst also holding Short Positions in the lower-yielding G10 Currencies (borrowing in the G10 Currencies).
</td></tr>
<tr><td>Index Description and Allocation Mechanism</td><td>
<u>Monthly Rebalancing</u>
The strategy rebalances each FX Forward Contract to a fixed target weight on a monthly basis:
Each Long Position in the Emerging Market Currencies is allocated a notional exposure of 12.5%. The total weight of all eight Long Positions is 100%. Each Short Position in the G10 Currencies is allocated a notional exposure of 10%. The total weight of all ten Short Positions is 100%. With a combined total gross exposure of 200%, and a total net exposure of 0%.
The performance of the Index on any Index Calculation day is based on
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| | the performance of each Index Component, adjusted for its respective effective weight, minus the relevant fees and costs, as set out above.<br><br>The Index synthetically enters into FX forward contracts with a one month expiry that expire mid-month and are held until expiry. Upon expiry the FX Forward Contract is notionally cash settled, and thereafter, a new FX Forward Contract with a one month expiry is entered into. |
| **Disruption Events and Consequences** | <u>**Disruption Events**</u><br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- There are changes in the way in which Thomson Reuters (or other relevant data sources) calculates and/or publishes fixing rates for FX Forward Contracts;<br><br>- A Thomson Reuters (or another relevant data source) fails to publish fixing rates for FX Forward Contracts on a valid business day for publishing;<br><br>- A rate published by Thomson Reuters (or other relevant data sources) is deemed to be unreliable by the Index Calculation Agent;<br><br>- Any event that, in the opinion of the Index Administrator, has an adverse effect on (i) the ability of the Index Calculation Agent to determine an exchange rate for the purposes of calculating the Index or (ii) the ability of market participants in general to effect transactions in, or obtain market values for any FX futures contract referenced (albeit notionally) as a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- Any event which would constitute a "Disruption Event" for the purposes of the 1998 FX and Currency Option Definitions published by ISDA;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value should not be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index Value, or produced any other determination, that cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the Index Rules include an error, omission or ambiguity;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Calculation Day; or<br><br>- Either (A) the adoption of or any change in applicable law or regulation or (B) 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 which, in the determination of the Index Calculation Agent would (i) make it illegal for the Index Calculation Agent to perform its duties or (ii) |

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| | cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under this Index Rules (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so:<br><br>(i) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index;<br><br>(ii) adjust the price or level of any Component within the Index or, any other factor or variable involved in the calculation of the Index it deems necessary, in its reasonable opinion, to account for the relevant event described above;<br><br>(iii) use a designated alternative price source for a currency;<br><br>(iv) use a designated alternative price calculation method to compute rates; and/or<br><br>(v) suspend the publication of the Index. |

## DESCRIPTION OF THE CREDIT SUISSE LAB PUT WRITE INDEX – SWAP SERIES

| KEY INFORMATION RELATING TO THE INDEX | |
|---|---|
| **Index Name** | Credit Suisse LAB Put Write Index – Swap Series. |
| **Bloomberg code** | CSLASPW. |
| **Index Administrator** | Credit Suisse Asset Management LLC. |
| **Index Calculation Agent** | Solactive A. G. |
| **Index Launch Date** | Original index launch date of 31 July, 2013. Latest amendment to the rulebook as of 21 July, 2017, which implements changes related to pricing methodology and rebalancing lag. |
| **Index Start Date** | 19 March 2004.<br><br>Although the Index did not exist until the Index Launch Date, it has been constructed as if it were launched on 19 March 2004. Thus, the Index value of 1,000 was fixed on 31 July 2013 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Total Return.<br><br>The term "total return" shall refer solely to the reinvestment of net dividends generated by the components of the Index and to the addition of a remunerated cash element to its performance, and not that there will be a return of capital invested in products linked to the Index. |
| **Asset Class** | Equity. |
| **Index Components** | The Index is comprised of a Short Position in a Put Option on the S&P 500 Index expiring on the 3rd Friday of the following month. |
| **Scheduled frequency of publication** | Daily on each Index Calculation Day. An Index Calculation Day is any day on which the New York Stock Exchange is generally open for trading. |
| **Fees and costs** | There is no index fee embedded in the Index.<br><br>Upon each rebalancing, transaction costs equivalent to a quarter of the exchange bid-offers are deducted from the Index Value.<br><br>**The deduction of such transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to produce steady returns in stable equity markets by selling Put Options on the S&P 500 Index and obtaining the premium from selling such Put Option on a regular basis. |
| **Index Description and** | Each month, the index sells notional positions in Put Options on the S&P |

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| **Allocation Mechanism** | 500 Index with a one month expiry. The strike is set at the largest multiple of 5 below the current level of the S&P 500 Index.<br><br>The amount of Put Options sold is based on a 100% notional position in the S&P 500 Index.<br><br>The Index is rebalanced once a month. The rebalancing date will coincide with the date on which Put Options on the S&P 500 Index are due to expire, which is generally the 3rd Friday of every month.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of the index component, minus the transaction costs, as set out above.<br><br>As a result of gaining exposure through derivatives (such as Put Options on the S&P 500 Index), relatively small price movements may result in magnified losses or gains. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- a closure of the money markets denominated in a relevant currency as determined by the Index Administrator other than for ordinary public holidays, or a restriction or suspension in trading in these markets that would materially impact the determination arising in the construction or calculation of the Index and an Index Value;<br><br>- the failure, suspension or postponement of any calculation within the Index Strategy in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of an Index Value, any other event, in the determination of the Index Administrator preventing the prompt or accurate determination of an Index Value, or the Index Administrator concludes that as a consequence of any such event that the last reported Index Value should not be relied upon; and<br><br>- the occurrence, in respect of any security, option, futures, derivative or foreign exchange contract or other instrument referenced in the calculation of the Index or any Index Component, of (i) any suspension of or limitation imposed on trading by any relevant exchange or other trading facility, (ii) the closure of any relevant exchange or other trading facility before its scheduled closing time, or (iii) any other event that materially disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, the relevant contract.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so, (i) suspend the calculation and publication of an Index Value and/or (ii) |

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| | determine an Index Value on the basis of estimated or adjusted data and publish an estimated level of an Index Value and/or, the Index Administrator may, take any action including but not limited to designation of alternative price sources, reconstitution of the Index or a temporary change of allocation.<br><br>Where the Index Administrator uses estimated or adjusted data, it shall estimate or adjust such data with the primary intention of maintaining, so far as commercially reasonable, consistency of the objective of the Index. |

## DESCRIPTION OF THE CREDIT SUISSE SHORT VARIANCE SWAP ER FLAGSHIP INDEX

<table>
<tr><th colspan="2">KEY INFORMATION RELATING TO THE INDEX</th></tr>
<tr><td>Index Name</td><td>Credit Suisse Short Variance Swap ER Flagship Index.</td></tr>
<tr><td>Bloomberg code</td><td>CSVPSVE.</td></tr>
<tr><td>Index Administrator</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Calculation Agent</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Launch Date</td><td>14 December 2015. This is the date the Index was first launched by the Index Administrator.</td></tr>
<tr><td>Index Start Date</td><td>21 September 2012.<br><br>Although the Index did not exist until the Index Launch Date, it has been constructed as if it were launched on 21 September 2012. Thus, the Index Value of 100 was fixed on 21 September 2012 and has subsequently been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date.</td></tr>
<tr><td>Base Currency</td><td>USD.</td></tr>
<tr><td>Index Type</td><td>Excess Return.</td></tr>
<tr><td>Asset Class</td><td>Equity.</td></tr>
<tr><td>Index Components</td><td>The Index is composed of two components:<br><br>1. A Short Position in a portfolio of variance swap contracts on the S&P 500 Index (each a "variance swap" and together the "Variance Swap Component"); and<br><br>2. A notional cash balance (the "Index Cash Component").<br><br>Variance can be considered as a measure of risk for a given underlying asset, due to the uncertainty of the future price or value of such asset. Variance as a measure of risk may be determined on either an historical basis (known as "realised variance"), or a future basis (known as "implied variance").<br><br>Historical variance can be calculated formulaically by reference to the magnitude of daily price movements (in either direction) for the relevant underlying asset. For example, an asset whose price moves by 2% (in any direction) each day has a higher variance than an asset whose price moves by 1% (in any direction) each day.<br><br>The market expectation of future variance can be derived from option prices on the relevant underlying asset.<br><br>A variance swap contract is a financial instrument that allows market participants to take exposure to the magnitude of movements in financial</td></tr>
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| | markets. A Short Position in a variance swap contract provides a positive financial outcome when the magnitude of movements between the trade date, and the expiry date of the variance swap contract, is below a certain pre-defined level (known as the "**strike**"). |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An "**Index Calculation Day**" is each day where the S&P500 Index is scheduled to be published and the exchange is scheduled to be open. |
| **Fees and costs** | The index does not include any index fees.<br><br>Transaction costs: Each variance swap is traded at a strike calculated using the bid prices of monthly listed option contracts on the S&P 500 Index.<br><br>On top of the bid to mid cost, the replication formula used to estimate the variance swap may lead to additional costs.<br><br>**The deduction of transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| **Object of the Index** | The Index aims to generate positive returns by capturing the "volatility premium" embedded within equity derivative markets.<br><br>The volatility premium refers to the tendency for Implied Volatility or implied variance of an underlying asset to exceed Realised Volatility or realised variance of the same underlying asset over time, thus creating a profit opportunity for the volatility sellers. This difference is most apparent in broad market equity index underlying assets such as the S&P 500 Index. |
| **Index Description and Allocation Mechanism** | On any Index Calculation Day, the number of variance swaps comprising the Variance Swap Component can vary from zero up to the number of Index Calculation Days between the second Variance Swap Expiry Date preceding such Index Calculation Day and the first Variance Swap Expiry Date following such Index Calculation Day.<br><br>Variance swaps will have expiry dates (each a "**Variance Swap Expiry Date**") falling on the third Friday of the month (unless that Friday is not an Index Calculation Day, in which case the immediately preceding Index Calculation Day shall be the Variance Swap Expiry Date).<br><br>When the "Signal" is activated on any Index Calculation Day, the Index takes a Short Position in a variance swap with a Variance Swap Expiry Date falling on the 2 Months Expiry Date. Such Index Calculation Day will be the "**Variance Swap Start Date**" for such variance swap. The Signal is activated when the implied volatility for an expiry date falling on the Variance Swap Expiry Date immediately following the front month Variance Swap Expiry Date (the "**2 Months Expiry Date**") is higher than the preceding 20 days exponential realised volatility of the S&P 500 Index. The aforementioned implied volatility is calculated as the square root of the variance of the S&P 500 Index derived from a replicating portfolio on a given Index Calculation Day.<br><br>On each Variance Swap Start Date, the notional of the relevant variance |

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| | swap is calibrated to give a vega equal to 0.25% of the Index Value on the preceding Index Calculation Day divided by the number of Index Calculation Days between the second Variance Swap Expiry Date preceding such Index Calculation Day and the first Variance Swap Expiry Date following such Index Calculation Day.<br><br>A vega represents the sensitivity of the price of an instrument to a one point move of volatility. Each variance swap will be held until its Variance Swap Expiry Date.<br><br>The Index is denominated in USD and is published net of bid-offer spreads charged for entering into the variance swaps.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the relevant fees and costs, as set out above. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- a closure of the money markets denominated in USD or any other relevant currency as determined by the Index Calculation Agent other than for ordinary public holidays, or a restriction or suspension in trading in these markets that would materially impact the determination arising in the construction or calculation of the Index and the Index Value;<br><br>- the failure, suspension or postponement of any calculation within the Index or the publication of any required interest, exchange or other rate in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, any other event, in the determination of the Index Calculation Agent preventing the prompt or accurate determination of the Index Value, or the Index Calculation Agent concludes that as a consequence of any such event that the last reported Index Value should not be relied upon;<br><br>- the occurrence, in respect of any security, Option, Futures Contract, derivative or foreign exchange contract or other instrument referenced in the calculation of the Index which does not comprise an equity index (a "**Non-Index Component**"), of (i) any suspension of or limitation imposed on trading by any relevant exchange or other trading facility, (ii) the closure of any relevant exchange or other trading facility before its scheduled closing time, or (iii) any other event that materially disrupts or impairs, as determined by the Index Administrator acting in good faith and a commercially reasonable manner, the ability of market participants in general to effect transactions in, or obtain market values for, the relevant Non-Index Component;<br><br>- in respect of any component of an equity index, of one of the following: |

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| | (a) a Trading Disruption, which the Index Administrator determines is material, at any time during the one-hour period that ends at the scheduled closing time of the Stock Exchange in respect of such component of an equity index;<br><br>(b) an Exchange Disruption, which the Index Administrator determines is material, at any time during the one-hour period that ends at the scheduled closing time of the Stock Exchange in respect of such component of an equity index; or<br><br>(c) an Early Closure;<br><br>- the aggregate of all components of an equity index, in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises, in the determination of the Index Administrator, a material proportion of the level of the equity index;<br><br>- any failure to publish the value of an equity index for any reason on a day when such equity index is due to be published; or<br><br>- any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants (or the Index Administrator and/or its affiliates) in general transactions in, or obtain market values for, futures or options contracts referencing an equity index.<br><br>Where:<br><br>"**Early Closure**" means the closure on any Stock Exchange Business Day of the Stock Exchange in respect of any component of an equity index before its scheduled closing time, unless such earlier closing time is announced by such Stock Exchange at least one hour before the earlier of (i) the actual closing time for the regular trading session on such Stock Exchange on such Stock Exchange Business Day and (ii) the submission deadline for orders to be entered into the Stock Exchange system for execution at the scheduled closing time on such Stock Exchange Business Day;<br><br>"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, any component of an equity index;<br><br>"**Scheduled Trading Day**" means, in respect of any Stock Exchange, any day on which such Stock Exchange is scheduled to be open for trading for its regular trading session;<br><br>"**Stock Exchange**" means, in respect of a component of an equity index, the exchange or quotation system on which such component of an equity index is principally traded;<br><br>"**Stock Exchange Business Day**" means any Scheduled Trading Day on which each Stock Exchange is open for trading during its regular trading sessions, notwithstanding any such Stock Exchange closing |

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| | before its scheduled closing time; and<br><br>"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Stock Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Stock Exchange or otherwise, relating to any component of an equity index on the Stock Exchange in respect of such component of an equity index.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, the Index Calculation Agent may, but is not obliged to do so, (i) suspend the calculation and publication of the Index Value and/or (ii) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index Value, and/or (iii) adjust the index methodology to mitigate the effect of such disruption event, and/or (iv), take any other action including but not limited to designating alternative price sources, reconstituting the Index or temporarily closing-out option positions. |

## DESCRIPTION OF THE CREDIT SUISSE FX CARRY EM15 EXCESS RETURN INDEX

<table>
<tr><th colspan="2">KEY INFORMATION RELATING TO THE INDEX</th></tr>
<tr><td>Index Name</td><td>Credit Suisse FX Carry EM15 Excess Return Index.</td></tr>
<tr><td>Bloomberg code</td><td>FXCIEMCU.</td></tr>
<tr><td>Index Administrator</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Calculation Agent</td><td>Credit Suisse International.</td></tr>
<tr><td>Index Launch Date</td><td>12 December 2017.<br><br>This is the date the Index was first launched by the Index Administrator.</td></tr>
<tr><td>Index Start Date</td><td>14 June 2007.<br><br>Although the Index did not exist prior to the Index Launch Date, it has been constructed as if it were launched on 14 June 2007. Thus, the Index Value of 100 was fixed on 14 June 2007 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date.</td></tr>
<tr><td>Base Currency</td><td>USD.</td></tr>
<tr><td>Index Type</td><td>Excess Return.</td></tr>
<tr><td>Asset Class</td><td>FX.</td></tr>
<tr><td>Index Components</td><td>The Index selects three Long Positions and three Short Positions out of a universe of FX Forward Contracts linked to the following 15 Emerging Market currencies (the "EM FX Universe"): BRL, MXN, HUF, PLN, TRY, ZAR, SGD, CZK, RUB, IDR, COP, CLP, INR, TWD, KRW (each an "EM Currency" and together, the "EM Currencies").</td></tr>
<tr><td>Scheduled frequency of publication</td><td>The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which commercial banks are open for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the relevant currency as published by Thomson Reuters.</td></tr>
<tr><td>Fees and costs</td><td>The Index does not include any embedded index fee.<br><br>Upon each rebalancing, the Index deducts transaction costs from the Index Value for each currency transaction as disclosed in the table below.<br><br>The deduction of such transaction costs may significantly reduce the Index Value from what it would otherwise be.</td></tr>
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<tr><th>Currency</th><th>Fixed cost (bid/mid or ask/mid) in bps</th></tr>
<tr><td>BRL</td><td>5.0</td></tr>
<tr><td>MXN</td><td>4.0</td></tr>
<tr><td>HUF</td><td>8.0</td></tr>
<tr><td>PLN</td><td>4.0</td></tr>
<tr><td>TRY</td><td>5.0</td></tr>
<tr><td>ZAR</td><td>5.0</td></tr>
<tr><td>SGD</td><td>5.0</td></tr>
<tr><td>CZK</td><td>7.5</td></tr>
<tr><td>RUB</td><td>5.0</td></tr>
<tr><td>IDR</td><td>10.0</td></tr>
<tr><td>COP</td><td>6.5</td></tr>
<tr><td>CLP</td><td>5.0</td></tr>
<tr><td>INR</td><td>3.0</td></tr>
<tr><td>TWD</td><td>5.0</td></tr>
<tr><td>KRW</td><td>5.0</td></tr>
</table>
</td></tr>
<tr><td>Object of the Index</td><td>The Index aims to generate positive returns by reflecting the "currency carry premium" between the various EM Currencies.<br><br>The currency carry premium refers to the difference in returns that may be achieved between currencies with higher interest rates and currencies with lower interest rates.<br><br>Investors may be able to benefit from such currency carry premium by holding Long Positions in higher-yielding currencies (investing in currencies with higher interest rates), whilst also holding Short Positions in lower-yielding currencies (borrowing in currencies with lower interest rates).</td></tr>
<tr><td>Index Description and Allocation Mechanism</td><td><u>Monthly Selection of FX Forward Contracts</u><br><br>On a monthly basis, for each of the EM Currencies, a "carry indicator" is calculated as the ratio between the current level of its 1-month FX Forward Contract rate and its spot rate, divided by the historical 3-month volatility of its spot rate.<br><br>By measuring a currency's 1-month FX Forward Contract rate relative to its spot rate, the carry indicator aims to quantify the interest rate yield a currency may earn over a one month period. As a consequence, currencies with higher interest rates will tend to have a higher carry indicator value, while currencies with lower interest rates will tend to have a lower carry indicator value.<br><br>The strategy then ranks the EM Currencies in the EM FX Universe by their respective carry indicator levels and then allocates on a monthly basis:<br><br>- Long Positions in the three highest ranked EM Currencies (which represent the EM Currencies currently exhibiting the highest level of currency carry premium); and<br><br>- Short Positions in the three lowest ranked EM Currencies (which represent the EM Currencies currently exhibiting the lowest level of currency carry premium).<br><br>The Long Positions in the strategy have a total weight of 100%, with</td></tr>
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| | 33.33% notional exposure allocated to each selected EM Currency. The Short Positions in the strategy have a total weight of 100%, with 33.33% notional exposure allocated to each selected EM Currency. With a total weight of 200%, the Index provides leveraged exposure to the selected EM Currencies.<br><br>The performance of the Index on any Index Calculation day is based on the performance of each Index Component, adjusted for its respective effective weight, minus the relevant fees and costs, as set out above.<br><br>The Index synthetically enters into FX Forward Contracts with a one month expiry that expire mid-month and are held until expiry. Upon expiry the FX Forward Contract is notionally cash settled, and thereafter, a new FX Forward Contract with a one month expiry is entered into. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- There are changes in the way in which Thomson Reuters (or other relevant data sources) calculates and/or publishes fixing rates for FX Forward Contracts;<br><br>- A Thomson Reuters (or another relevant data source) fails to publish fixing rates for FX Forward Contracts on a valid business day for publishing;<br><br>- A rate published by Thomson Reuters (or other relevant data sources) is deemed to be unreliable by the Index Calculation Agent;<br><br>- Any event that, in the opinion of the Index Administrator, has an adverse effect on (i) the ability of the Index Calculation Agent to determine an exchange rate for the purposes of calculating the Index or (ii) the ability of market participants in general to effect transactions in, or obtain market values for any FX Forward Contract referenced (albeit notionally) as a Component, which represents a material percentage amount in aggregate weight of the relevant Component, as determined by the Index Administrator;<br><br>- Any event which would constitute a "Disruption Event" for the purposes of the 1998 FX and Currency Option Definitions published by ISDA;<br><br>- An event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of the Index Value, or any other event, in the determination of the Index Administrator, that prevents the prompt or accurate determination of the Index Value, or the Index Administrator concludes that as a consequence of any event, the last reported Index Value should not be relied upon;<br><br>- The Index Administrator reasonably believes that the index calculation methodology of the Index has resulted in an Index |

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| | Value, or produced any other determination, that cannot be relied upon;<br><br>- The Index Administrator reasonably believes that the Index Rules include an error, omission or ambiguity;<br><br>- The failure, suspension or postponement of any calculation within the index calculation methodology of the Index in respect of any Index Calculation Day; or<br><br>- Either (A) the adoption of or any change in applicable law or regulation or (B) 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 which, in the determination of the Index Calculation Agent would (i) make it illegal for the Index Calculation Agent to perform its duties or (ii) cause the Index Calculation Agent to incur a materially increased cost in performing its obligations under this Index Rules (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so:<br><br>(i) determine the Index Value on the basis of estimated or adjusted data and publish an estimated level of the Index;<br><br>(ii) adjust the price or level of any Component within the Index or, any other factor or variable involved in the calculation of the Index it deems necessary, in its reasonable opinion, to account for the relevant event described above;<br><br>(iii) use a designated alternative price source for a currency;<br><br>(iv) use a designated alternative price calculation method to compute rates; and/or<br><br>(v) suspend the publication of the Index. |

## DESCRIPTION OF THE CREDIT SUISSE DIVIDEND ALPHA 2 BETA HEDGED INDEX USD ER

| KEY INFORMATION RELATING TO THE INDEX | |
|---|---|
| **Index Name** | Credit Suisse Dividend Alpha 2 Beta Hedged Index USD ER. |
| **Bloomberg code** | CSEADUE2. |
| **Index Administrator** | Credit Suisse International. |
| **Index Calculation Agent** | Credit Suisse International. |
| **Index Launch Date** | 15 January 2018. This is the date the Index will be launched by the Index Administrator. |
| **Index Start Date** | 02 February 2009.<br><br>Although the Index did not exist until the Index Launch Date, it has been constructed as if it were launched on 02 February 2009. Thus, the Index Value of 1,000 was fixed on 02 February 2009 and has been determined using (i) simulated performance between the Index Start Date and the Index Launch Date (using the same index methodology used to calculate the Index Value based on historical market data) and (ii) actual performance after the Index Launch Date. |
| **Base Currency** | USD. |
| **Index Type** | Excess Return. |
| **Asset Class** | Equity. |
| **Index Components** | The Index is comprised of notional exposures to the following Components:<br><br>- A notional Long Position in dividend futures contracts linked to the Euro Stoxx 50 Index (the "**Dividend Futures Component**"); and<br><br>- A notional Short Position in equity futures contracts linked to the Euro Stoxx 50 Index obtained via the Credit Suisse European Equity Futures EUR Excess Return Index (Bloomberg: CSRFVGEE) (the "**Equity Futures Component**"). |
| **Scheduled frequency of publication** | The Index Value will be calculated and published on each Index Calculation Day. An Index Calculation Day is each day on which: (i) Eurex is scheduled to be open, (ii) the US Federal Funds Effective Rate is published and (iii) WM/Reuters FX rates are published. |
| **Fees and costs** | As part of the formula for calculating the Index Value, an index fee of 0.17% per annum is deducted daily (*pro rata*) from the Index Value.<br><br>An access cost of 0.12% per annum is deducted daily (pro rata) from the value of the Credit Suisse European Equity Futures EUR Excess Return Index.<br><br>A transaction cost of 0.25% is deducted from the Index Value upon a rebalancing of the Dividend Futures Component. A transaction cost of |

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| | 0.03% is deducted from the Index Value upon a rebalancing of the Equity Futures Component.<br><br>**The deduction of the index fee, access costs and transaction costs may significantly reduce the Index Value from what it would otherwise be.** |
| Object of the Index | The Index aims to generate positive returns by reflecting the "**dividend risk premium**" within markets for dividend futures.<br><br>The dividend risk premium represents the difference between what investors expect to receive in dividend payments and the actual dividends that are paid. Investors take on a risk that they will not receive the dividend payment that they expect.<br><br>Dividend futures contracts linked to the expected dividends paid by the constituent companies in the Euro Stoxx 50 Index enable the dividend risk premium to be isolated as a tradable investment. The price of the dividend futures contract represents the expected dividend payments over a one year period expressed in index points. The magnitude of the dividend risk premium is typically represented by the discount on the price at which the dividend futures contract is traded relative to the market expectation for dividend payments for the relevant year. This discount diminishes as the dividend futures contract approaches expiry when the amount of each of the dividends payable by constituent companies in the Euro Stoxx 50 Index becomes known. Once all actual dividend payments are known, the discount will diminish to zero as the dividend future's price converges to the known dividend payout level. A diminished discount is typically observed at least 6 months prior to the expiry of the dividend futures contract. |
| **Index Description and Allocation Mechanism** | The Index aims to capture the dividend risk premium by taking systematic, notional Long Positions in short-term dividend futures contracts, and hedging any beta exposure of this Long Position through notional Short Positions in Euro Stoxx 50 equity futures contracts through the Credit Suisse European Equity Futures EUR Excess Return Index.<br><br>**<u>Dividend Futures Component</u>**<br><br>The Dividend Futures Component consists of a weighted basket of the first, second and third dividend futures contracts with the earliest expiry dates (the three Front Futures Contracts). On the first Index Calculation day of July of each year, the strategy starts purchasing on a daily basis the dividend futures contract which expires approximately two and a half years following such date, and finishes purchasing such contract in June of the following year once its target allocation has reached 66.6% of the Index Value. Such dividend futures contract is then held until expiry. As a result, the cumulative target allocation to the Dividend Futures Component will always be between 100% and 166.6% of the Index Value.<br><br>**<u>Equity Futures Component</u>**<br><br>The Index also takes a notional Short Position in the Equity Futures Component, aiming to isolate the dividend risk premium from the performance of the equity market. The magnitude of the position is equal |

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| | to the Index Value multiplied by the calculated beta exposure, capped at 100% of the Index Value.<br><br>The "**beta exposure**" element of the Index aims to estimate the price sensitivity of the Dividend Futures Component to the Equity Futures Component, and calculated on a daily basis using the performance of (i) the Dividend Futures Component and (ii) the Equity Futures Component, as observed over the previous 126 Index Calculation Days.<br><br>The Equity Futures Component is a Credit Suisse proprietary strategy which tracks the performance of a notional Long Position in the Front Futures Contract on the Euro Stoxx 50 Index, which it rolls two days before expiry.<br><br>**<u>Index Performance</u>**<br><br>On a daily basis, the performance of the Long Position in the Dividend Futures Component and the notional hedge position in the Equity Futures Component is converted from EUR to USD.<br><br>The performance of the Index on any Index Calculation Day is based on the performance of each index component, adjusted for its respective effective weight, minus the access costs and transaction costs, as set out above. |
| **Disruption Events and Consequences** | **<u>Disruption Events</u>**<br><br>A disruption event will occur if, in the determination of the Index Administrator, one of the following occurs:<br><br>- a closure of the money markets denominated in a relevant currency as determined by the Index Administrator other than for ordinary public holidays, or a restriction or suspension in trading in these markets that would materially impact the determination arising in the construction or calculation of the Index and an Index Value;<br><br>- the failure, suspension or postponement of any calculation within the Index Strategy in respect of any Index Calculation Day, any event resulting in a breakdown in any means of communication or a procedure normally used to enable the determination of an Index Value, any other event, in the determination of the Index Administrator preventing the prompt or accurate determination of an Index Value, or the Index Administrator concludes that as a consequence of any such event that the last reported Index Value should not be relied upon;<br><br>- the occurrence, in respect of any security, option, futures, derivative or foreign exchange contract or other instrument referenced in the calculation of the Index or any Index Component, of (i) any suspension of or limitation imposed on trading by any relevant exchange or other trading facility, (ii) the closure of any relevant exchange or other trading facility before its scheduled closing time, or (iii) any other event that materially disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain |

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| | market values for, the relevant contract;<br><br>- in respect of a Futures Contract, any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange;<br><br>- any event (other than an Early Closure) that disrupts or impairs, as determined by the Index Administrator, the ability of market participants in general to effect transactions in, or obtain market values for, any Futures Contract;<br><br>- in respect of a Futures Contract, the relevant Exchange, if applicable, permanently cancels such Futures Contract;<br><br>- in respect of a Futures Contract, the relevant Exchange, if applicable, fails to calculate and announce such Futures Contract, as determined by the Exchange, on a day on which it was scheduled to do so;<br><br>- in respect of a Futures Contract, the relevant Exchange, if applicable, makes or announces that it will make a material change in the formula for, or the method of, calculating such Futures Contract, or in any other way materially modifies such Futures Contract; or<br><br>- an Equity Index Disruption Event.<br><br>Where:<br><br>"**Disruption Threshold**" is as defined as 20%;<br><br>"**Component**" means, in respect of an Equity Index, any share, security, commodity, rate, index or other component included in such Equity Index, as determined by the Index Administrator;<br><br>"**Early Closure**" means, in respect of a Futures Contract or an Equity Index (as applicable), the closure on any Exchange Business Day of any relevant Exchange or 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 scheduled closing time on such Exchange Business Day;<br><br>"**Equity Index Adjustment Event**" means, in respect of an Equity Index, an Equity Index Cancellation, an Equity Index Disruption or an Equity Index Modification;<br><br>"**Equity Index Administrator**" means, in relation to an Equity Index, the corporation or other entity as determined by the Index Administrator that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments if any, related to such Equity Index, and (b) announces (directly or through an agent) the level of such |

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| | Equity Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Index Administrator who calculates and announces the Equity Index or any agent or person acting on behalf of such person;<br><br>"**Equity Index Cancellation**" means, in respect of an Equity Index, the relevant Equity Index Administrator, if applicable, permanently cancels such Equity Index;<br><br>"**Equity Index Disruption**" means, in respect of an Equity Index, the relevant Equity Index Administrator, if applicable, fails to calculate and announce such Index, as determined by the Issuer, on a day on which it was scheduled to do so;<br><br>"**Equity Index Disruption Event**" means the occurrence of any of the following:<br><br>- a Market Disruption Event<br><br>- an Equity Index Adjustment Event; or<br><br>- any event that disrupts or impairs (as determined by the Index Administrator) the ability of market participants (or the Index Administrator and/or its affiliates) in general to effect transactions in, or obtain market values for, futures or options contracts referencing an Equity Index;<br><br>"**Equity Index Modification**" means, in respect of an Equity Index, the relevant Equity Index Administrator or Successor Sponsor, if applicable, makes or announces that it will make a material change in the formula for, or the method of, calculating such Equity Index, or in any other way materially modifies such Equity Index (other than a modification prescribed in that formula or method to maintain such Equity Index in the event of changes in the Components, capitalisation and/or other routine events);<br><br>"**Exchange**" means, in respect of any Futures Contract or Components of an Equity Index (as applicable), the exchange(s) or quotation system(s) (from time to time) on which, in the determination of the Index Administrator (or the Equity Index Administrator), such Futures Contracts or Components of an Equity Index (as applicable) are listed or quoted and, if the Index Administrator in its discretion so determines, on which any depositary receipts in respect of such Futures Contracts or Components of an Equity Index (as applicable) are listed or quoted in which event references to the Futures Contracts or Components of an Equity Index (as applicable) may, where the Index Administrator determines the context to permit, include such depositary receipts;<br><br>"**Exchange Business Day**" means:<br><br>(i) in respect of a Futures Contract or a Single-Exchange Index, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions;<br><br>(ii) in respect of a Multi-Exchange Index, any Scheduled Trading Day on which the Equity Index Administrator publishes the level of the |

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| | Equity Index and each Related Exchange is open for trading during its regular trading session,<br><br>notwithstanding in either case any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;<br><br>"**Exchange Disruption**" means, in respect of an Equity Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Administrator) the ability of market participants in general (a) to effect transactions in, or obtain market values for, (in the case of a Multi-Exchange Index) any Component of the Equity Index (and, if the Index Administrator in its discretion so determines, any depositary receipts in respect of such securities) on any relevant Exchange or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Equity Index on any relevant Exchange, or (b) to effect transactions in, or obtain market values for, futures or options relating to the relevant Equity Index on any relevant Related Exchange;<br><br>"**Hedging Shares**" means, in respect of a Component, the number of shares in such Component that, as determined by the Index Administrator (and/or its affiliates), a market participant requires to hedge the equity price risk of entering into and performing its obligations with respect to all investment products linked to the Index;<br><br>"**Market Disruption Event**" means, in respect of an Equity Index, the occurrence or existence of a Trading Disruption or an Exchange Disruption, which in either case the Index Administrator determines is material, at any time during the one-hour period that ends at the scheduled closing time of the Relevant Exchange, or an Early Closure provided that, in the case of a Multi-Exchange Index (other than where the Market Disruption Event relates to futures or options contracts relating to that Equity Index), the Components of the Equity Index in respect of which an Early Closure, Exchange Disruption and/or Trading Disruption occurs or exists amount, in the determination of the Index Administrator, in aggregate to a percentage equal to the Disruption Threshold or more of the level of the Equity Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a Component included in the relevant Equity Index at any time, then the relevant percentage contribution of that Component to the level of the relevant Equity Index shall be based on a comparison of (i) the portion of the level of the relevant Equity Index attributable to that Component, and (ii) the overall level of the relevant Equity Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Index Administrator;<br><br>"**Multi-Exchange Index**" means any Equity Index which is determined by the Index Administrator as being composed of Components which are principally traded on more than one exchange;<br><br>"**Related Exchange**" means in relation to an Equity Index, each exchange or quotation system where trading has a material effect (as determined by the Index Administrator) on the overall market for futures or options contracts relating to such Equity Index; |

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| | "**Scheduled Trading Day**" means, in respect of:<br><br>(i) a Futures Contract or a Single-Exchange Index, any day on which each Exchange and each Related Exchange for such Single-Exchange Index are scheduled to be open for trading for their respective regular trading sessions;<br><br>(ii) a Multi-Exchange Index, any day on which the Equity Index Administrator is scheduled to publish the level of the Multi-Exchange Index and each Related Exchange for such Multi-Exchange Index is scheduled to be open for trading for its regular trading session;<br><br>(iii) any Component referenced by an Equity Index which is a share, any day on which the relevant Exchange and the relevant Related Exchange for such share are scheduled to be open for trading for their respective regular trading sessions; and<br><br>(iv) any Component which is not a share, any day on which the value, level or price, as is applicable, is scheduled to be published or disseminated, or is otherwise scheduled to be available;<br><br>"**Single-Exchange Index**" means any Index which is determined by the Index Administrator to be composed of Components which are all principally traded on the same exchange; and<br><br>"**Trading Disruption**" means, in respect of an Equity Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on any relevant Exchange(s) relating to (in the case of a Multi-Exchange Index) any Component of the Equity Index or (in the case of a Single-Exchange Index) Components that comprise a percentage equal to the Disruption Threshold or more of the level of the Equity Index, or (b) in futures or options contracts relating to the relevant Equity Index on any relevant Related Exchange.<br><br>**<u>Consequences of a Disruption Event</u>**<br><br>Following the occurrence of a disruption event, as set out above, which is continuing, the Index Administrator may, but is not obliged to do so, (i) suspend the calculation and publication of an Index Value and/or (ii) determine an Index Value on the basis of estimated or adjusted data and publish an estimated level of an Index Value and/or, the Index Administrator may, take any action including but not limited to designation of alternative price sources, reconstitution of the Index or a temporary change of allocation.<br><br>Where the Index Administrator uses estimated or adjusted data, it shall estimate or adjust such data with the primary intention of maintaining, so far as commercially reasonable, consistency of the objective of the Index. |

# TAXATION

The description of taxation in the Base Prospectus in relation to each of Italy and Spain is wholly replaced by the following text.

**Italy**

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposal of the Securities. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Securities Note and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in bonds or commodities) may be subject to special rules.*

*Prospective purchasers of the Securities are advised to consult their own tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any State, regional or local tax laws.*

**Italian Tax treatment of the Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*)**

*Italian resident Securityholders*

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for internal payments) and that do not give any right to directly or indirectly participate in the management of the relevant issuer or of the business in relation to which they are issued nor any type of control on the management.

Where an Italian resident Securityholder is:

(a) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the "*risparmio gestito*" regime – see "Capital Gains Tax" below),

(b) a non-commercial partnership pursuant to Article 5 of the Presidential Decree No. 917 of 22 December 1986 ("**TUIR**");

(c) a public or private entity/institution (other than a company) or a trust not carrying out a commercial activity; or

(d) an investor exempt from Italian corporate income taxation,

interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a substitute tax, referred to as "*imposta sostitutiva*". In the event that the Securityholders described above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the final income tax due by the relevant Securityholder.

The current rate of the *imposta sostitutiva* is 26 per cent.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Securities are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Securities if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Law No. 232 of 11 December 2016, as subsequently amended (the "**Finance Act 2017**")

Where an Italian resident Securityholder is a company or similar commercial entity pursuant to Article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**") and, in certain circumstances, depending on the tax "status" of the Securityholder, also to regional tax on productive activities ("**IRAP**").

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject to neither the *imposta sostitutiva* or to any other income tax in the hands of a real estate investment fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent. on distributions made by real estate investment funds. The same tax regime applies to payments of interest made to an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

If a Securityholder is resident in Italy and is an open-ended or closed-ended investment fund (a "**Fund**") or a SICAV, and the Securities are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period will not be subject to *imposta sostitutiva* but must be included in the management result of the Fund or the SICAV. A withholding tax may apply in certain circumstances at the rate of 26 per cent. on distributions made by the Fund or the SICAV to certain categories of Securityholder. The same tax regime applies to payments of interest made to an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) and the Securities are deposited with an authorised intermediary, interest (including the difference between the redemption amount and the issue price), premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax applicable to Italian pension funds. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Securities may be excluded from the taxable base of the 20 per cent. substitute tax if the Securities are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Finance Act 2017.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must (i):

(a) be resident in Italy; or

(b) be resident outside Italy, with a permanent establishment in Italy; or

(c) be an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the

Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and

(ii) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or a transfer of the Securities to another deposit or account held with the same or another Intermediary.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Securityholder. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian Securityholder may elect instead to pay ordinary personal income tax ("**IRPEF**") at the applicable progressive rates in respect of the payments; if so, the Securityholder should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

*Non-Italian Resident Securityholders*

No Italian *imposta sostitutiva* will be applied to payments to a non-Italian resident Securityholder of interest or premium relating to the Securities provided that, if the Securities are held in Italy, the non-Italian resident Securityholder declares itself to be a non-Italian resident according to Italian tax regulations.

*Capital Gains Tax*

Any gain obtained from the sale or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the tax "status" of the Securityholder, also as part of the net value of production for IRAP purposes) if realised by: (i) an Italian resident company; (ii) an Italian resident commercial partnership; (iii) the Italian permanent establishment of foreign entities to which the Securities are effectively connected; or (iv) Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securityholder is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Securityholder from the sale or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, Securityholders may off-set their losses against their gains. This rule applies also to certain other entities holding the Securities.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Securities, if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

(a) Under the "tax declaration" regime (*regime della dichiarazione*), which is the ordinary regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Under Law No. 89 of 23 June 2014 ("**Decree**

**66**") capital losses can be carried forward against capital gains realised as of 1 July 2014 for 76,92 per cent. of their amount, if the losses were realised between 1 January 2012 and 30 June 2014.

(b) As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the "**Decree No. 461**"). Such separate taxation of capital gains is allowed subject to: (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities portfolio, in the same tax year or in the following tax years up to the fourth. Under Law Decree No. 66/2014, available capital losses can be carried forward against capital gains realised as of 1 July 2014 for 76.92 per cent. of their amount, if the losses were realised between 1 January 2012 and 30 June 2014. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in its annual tax return.

(c) Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. *imposta sostitutiva*, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under Law Decree No. 66/2014, depreciation of the managed assets accrued as of 30 June 2014 and not yet compensated can be carried forward against increase in value of the managed assets accrued as of 1 July 2014 for 76.92 per cent. of its amount, if the registered between 1 January 2012 and 30 June 2014. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Securityholder which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. The same tax regime applies to capital gains realised by an Italian resident SICAF mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will neither be subject to *imposta sostitutiva* nor to any form of taxation in the hands of the Fund or of the SICAV, but any income paid by a Fund or by a SICAV in favour of its participants will be subject to taxation in accordance with the specific rules provided for the different kind of participants. The same tax regime applies to capital gains realised by an Italian resident SICAF not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005, as subsequently amended) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the special 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Securities may be excluded from the taxable base of the 20 per cent. substitute tax if the Securities

are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Finance Act 2017.

***Non-Italian Resident Securityholders***

Capital gains realised by non-Italian resident Securityholders from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

Moreover, even if the Securities are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident investor is resident for tax purposes in a country which recognises the Italian tax authorities' right to an adequate exchange of information.

The provisions of applicable double taxation treaties entered into by Italy apply if they are more favourable and provided that all relevant conditions are met.

***Inheritance and gift taxes***

Transfers of any valuable assets (including the Securities) as a result of death or *inter vivos* gift (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose (*vincoli di destinazione*) are taxed as follows:

(a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of value that exceeds EUR 1,000,000 (per beneficiary);

(b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of value that exceeds EUR 100,000 (per beneficiary);

(c) 6 per cent. if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and

(d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value that exceeds EUR 1,500,000.

Moreover, an anti-avoidance rule is provided in the case of a gift of assets, such as the Securities, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by Decree No. 461, as subsequently amended. In particular, if the donee sells the Securities for consideration within five years from their receipt as a gift, the latter is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

***Transfer tax***

Transfer tax previously generally payable on the transfer of the Securities has been abolished. A EUR 200 registration tax may be applicable to the transfer of the Securities under certain circumstances.

***Stamp Duty***

Pursuant to Law Decree No. 201 of 6 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients and relating to securities and financial instruments. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the securities held. The stamp duty cannot exceed the amount of EUR 14,000 if the recipient of the periodic reporting communications is an entity (i.e., not an individual).

The stamp duty applies both to Italian resident and non-Italian resident investors, to the extent that the Securities are held with an Italian-based financial intermediary.

***Wealth Tax***

Pursuant to Law Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets abroad are required to pay a wealth tax (IVAFE) at a rate of 0.20 per cent. for each year. This tax is calculated on an annual basis on the market value of the financial assets at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held abroad.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

***Tax monitoring obligations***

According to Law Decree No. 167 of 28 June 1990, converted with amendments into law by Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Securities) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to (i) Securities deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Securities have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a EUR 15,000 threshold throughout the year.

**Spain**

*The following is a general description of the Spanish withholding tax treatment and indirect taxation of payments under the Notes. The statements herein regarding Spanish taxes and withholding taxes in Spain are made assuming that the Issuer is not a Spanish resident entity nor does it act through a permanent establishment in Spain, and are based on the laws in force as well as administrative interpretations thereof in Spain as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retrospective basis. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Spain or elsewhere, which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Spain. This overview regarding Spanish taxes and withholding taxes in Spain is based upon Spanish law, as well as administrative interpretations, as in effect on the date of this Base Prospectus, which may change at any time, possibly with retrospective effect.*

**Personal Income Tax ("PIT") / Corporate Income Tax ("CIT") / Non Resident Income Tax ("NRIT")**

(a) Spanish resident individuals

(A) Interest payments under the Notes

Income earned by Spanish resident individuals under the Notes should qualify as interest payments. In general, interest payments obtained by Spanish resident individuals should be subject to withholding tax at 19 per cent. rate on account of PIT (creditable against final tax liability). Notwithstanding the above, as non-residents in Spain, entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, interest payments under the Notes should be only subject to withholding tax in Spain in case a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as

depositary for the Notes, or is in charge of the collection of any income deriving from the Notes, provided that such income had not previously been subject to withholding tax in Spain.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT – to be declared in their annual tax returns – according to the following rates:

- Amounts up to EUR 6,000.00: 19 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
- Amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(B) Income upon transfer or redemption of the Notes

Income earned upon transfer or redemption of the Notes should be subject to Spanish withholding tax at 19 per cent. rate on account of PIT (creditable against the final tax liability). Expenses relating to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management. Notwithstanding this, as non-residents in Spain, entities not acting through a permanent establishment are not bound to withhold on account of PIT on payments made to Spanish resident individuals, income upon transfer or redemption of the Notes should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not previously been subject to withholding tax in Spain.

In any event, holders who are resident for tax purposes in Spain may credit any withholding tax suffered on income obtained under the Notes against their final PIT liability.

Notwithstanding the above, Spanish resident individuals earning such income will still be subject to PIT, to be declared in their annual tax returns, according to the following rates:

- Amounts up to EUR 6,000.00: 19 per cent.
- Amounts between EUR 6,000.01 and EUR 50,000: 21 per cent.
- Amounts exceeding EUR 50,000: 23 per cent.

However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the PIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount resulting from applying the average tax rate to the taxable base effectively taxed abroad.

(b) Spanish resident companies

(A) Interest payments under the Notes

Interest payments under the Notes shall be subject to withholding tax at 19 per cent. rate on account of CIT (creditable against the final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, interest payments under the Notes should be only subject to withholding tax in Spain in case a

financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary for the Notes, or is in charge of the collection of any income deriving from the Notes, provided that such income had not previously been subject to withholding tax in Spain.

However, holders of the Notes who are Corporate Income Taxpayers can benefit from a 1 been taxed abroad, the taxpayer shall be entitled to a tax credit against the CIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount that should have been paid in Spain in the case that such income had been obtained in Spain.

(B) Income upon transfer or redemption of the Notes

Income upon transfer or redemption of the Notes should be subject to Spanish withholding tax at 19 per cent. rate on account of CIT (creditable against the final tax liability). Notwithstanding this, as non-resident in Spain entities not acting through a permanent establishment are not bound to withhold on account of CIT on payments made to Spanish resident entities, income upon transfer or redemption of the Notes should be subject to withholding tax in Spain only if there is a financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory and such income had not previously been subject to withholding tax in Spain.

However, holders of the Notes who are Corporate Income Taxpayers can benefit from a withholding tax exemption when the Notes are admitted to trading on an organised stock exchange in an OECD state (the "OECD Exemption").

Spanish resident companies earning income under the Notes will be subject to CIT, to be declared in their annual tax returns, at a general 25 per cent. rate. However, when certain income included in the taxpayer's taxable base has already been taxed abroad, the taxpayer shall be entitled to a tax credit against the CIT taxable base for the lowest amount of the following: (i) the amount effectively paid abroad; and (ii) the amount that should have been paid in Spain in the case that such income had been obtained in Spain.

(c) Individuals and companies with no tax residency in Spain

(A) Income obtained through a permanent establishment

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

The tax rules applicable to income deriving from the Notes under NRIT in this scenario are, generally, the same as those previously set out for Spanish resident companies, subject to the provisions of any relevant double tax treaty.

(B) Income obtained without a permanent establishment

Income obtained by investors residing outside Spain and without a permanent establishment within the Spanish territory would not be considered, in general terms, as Spanish-source income and, therefore, would not be subject to taxation and withholding tax in Spain.

**Net Wealth Tax ("NWT")**

Only individual holders of the Notes would be subject to the NWT as legal entities are not taxable persons under NWT.

Relevant taxpayers will be (i) individuals who have their habitual residence in Spain regardless of the place where their assets or rights are located or could be exercised; and (ii) non-Spanish resident individuals owning assets or rights which are located or could be exercised in Spain, when in both

cases their net wealth is higher than EUR 700,000, as this amount is considered as exempt from NWT.

Taxpayers should include in their NWT self-assessment the Notes (assuming they qualify as debt instruments) for the following amounts:

(a) if they are listed in an official market, the average negotiation value of the fourth quarter; and

(b) in other case, its nominal value (including redemption premiums).

The value of the Notes together with the rest of the taxpayer's wealth, once reduced by the deductible *in rem* liens and encumbrances which reduce the rights and assets values and the personal debts of the taxpayer, shall be taxed at a tax rate between 0.2 to 2.5 per cent.

Investors should also note that the Spanish regions are entitled to modify (i) the threshold of net wealth exempt from taxation; (ii) the tax rates; and (iii) the tax benefits and exemptions to be applied in their territory.

**Inheritance and Gift Tax ("IGT")**

(a) Individuals with tax residency in Spain

Individuals resident in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to IGT. The applicable effective tax rates range between 7.65 per cent. and 81.6 per cent., depending on several factors such as family relationship and pre-existing heritage. However, it is necessary to take into account that the IGT (including certain tax benefits) has been transferred to the Spanish regions. Therefore, an analysis must be made in each specific case to determine to what extent any regional legislation might be applicable, since there might be differences in respect of the final taxation under IGT depending on the region in which an investor resides.

(b) Companies with tax residency in Spain

Companies resident in Spain are not subject to IGT, as income obtained will be subject to CIT.

(c) Individuals and companies with no tax residency in Spain

Non-Spanish resident individuals that acquire ownership or other rights over the Notes by inheritance, gift or legacy, will not be subject to IGT provided that the Notes were not located in Spain and the rights deriving from them could not be exercised within Spanish territory.

The acquisition of Notes by non-resident companies is not subject to the IGT, as income obtained will be subject to the NRIT.

**Value Added Tax, Transfer Tax and Stamp Duty**

Acquisition and transfer of the Notes, in principle, shall not trigger Transfer Tax and Stamp Duty, nor will they be taxable under Value Added Tax.

**Reporting Obligations to the Spanish Tax Authorities**

Spanish resident holders of the Notes or non-resident holders with a permanent establishment in Spain to which the Notes are effectively connected should seek advice from their tax adviser as to whether they should include the Notes in the annual reporting (Form 720) to the Spanish Tax Authorities declaring assets and rights held outside Spain (filing in respect of the Notes held as of 31 December 2017 will be due by 31 March 2018). Failure to meet this reporting obligation may trigger significant tax penalties and other tax implications.

## SELLING RESTRICTIONS

The following new paragraph is added immediately above the section headed "**UNITED STATES**" in the section entitled "Selling Restrictions" of the Base Prospectus:

"**MiFID II product governance / Retail investors, professional investors and Eligible Counterparties target market**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice, portfolio management and advised sales - subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable."

## GENERAL INFORMATION

1. **Approval and passporting for the purposes of the Prospectus Directive**: This Summary and Securities Note is accompanied by the Registration Document (and together constitute the Prospectus), which has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under the Prospectus Directive. The CSSF only approves this Prospectus, consisting of this Summary and Securities Note and the Registration Document, as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive. By approving the Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the Securities and quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended by the law of 3 July 2012, the law of 21 December 2012 and the law of 10 May 2016 (the "**Luxembourg Prospectus Law**").

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

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

3. **Consent to use the Prospectus**: The Issuer consents to the use of the 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 each of Italy and Spain and (c) subject to the relevant conditions, in each case as specified herein.

   It shall be a condition of such consent that the Prospectus may only be used by the relevant Authorised Offeror(s) to make offers of the relevant Securities in the jurisdiction in which the Non-exempt Offer is to take place, the competent authority of which has been provided with a certificate of approval by the competent authority in relation to this document under Article 18 of the Prospectus Directive.

   The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of this Summary and Securities Note, (b) discontinue or change the offer period, and/or (c) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published on http://opus.credit-suisse.com.

   The Issuer accepts responsibility for the content of this document in relation to any person (an "**investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (a) by an Authorised Offeror (or the Issuer or the 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 the Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

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

   **Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements**

**in place between such Authorised Offeror and the investor, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this document does not contain any information relating to such arrangements. The terms and conditions of such offer should be provided to the investor by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any Dealer has any responsibility or liability for such information provided by that Authorised Offeror.**

4. **Listing and admission to trading:** Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and also listed on and admitted to trading on the MOT market of Borsa Italiana S.p.A. with effect from, at the earliest, the Issue Date. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained. This Summary and Securities Note together with the Registration Document will constitute a prospectus for the purposes of the Prospectus Directive.

5. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Securities. The issue of the Securities will be in accordance with the Organizational Guidelines and Regulations of Credit Suisse Group AG and the Issuer dated 9 February 2017. No specific resolution of the Board of Directors of the Issuer is required.

6. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2016, except as described in the media release relating to the effects of the enactment of the US Tax Cuts and Jobs Act on Credit Suisse Group AG contained in the Form 6-K Dated 22 December 2017. Credit Suisse Group AG expects to write down the value of its deferred tax assets in the US by approximately CHF 2.3 billion in 4Q17, following the enactment of the US Tax Cuts and Jobs Act. The write-down is a one-time accounting adjustment and has a minimal impact on Credit Suisse Group AG's regulatory capital position.

   There has been no significant change in the financial position of the Issuer and its consolidated subsidiaries since 30 September 2017, except as described in the media release relating to the effects of the enactment of the US Tax Cuts and Jobs Act on Credit Suisse Group AG contained in the Form 6-K Dated 22 December 2017. Credit Suisse Group AG expects to write down the value of its deferred tax assets in the US by approximately CHF 2.3 billion in 4Q17, following the enactment of the US Tax Cuts and Jobs Act. The write-down is a one-time accounting adjustment and has a minimal impact on Credit Suisse Group AG's regulatory capital position.

   Please see "Risk Factors" on pages 42 to 50 (pages 66 to 74 of the PDF) of the Annual Report 2016 (as defined in the Registration Document) and the section entitled "Risk Factors" of the Base Prospectus for the risk factors that may affect the future results of operations or financial condition of Credit Suisse Group AG and its consolidated subsidiaries.

   Please see the Form 6-K Dated 22 December 2017, "Operating environment" on pages 4 to 6 (pages 15 to 17 of the PDF) of the exhibit (Credit Suisse Financial Report 3Q17) to the Form 6-K Dated 2 November 2017, "Operating environment" on pages 4 to 6 (pages 20 to 22 of the PDF) of the fifth exhibit (Credit Suisse Financial Report 2Q17) to the Form 6-K Dated 28 July 2017, "Operating environment" on pages 4 to 6 (pages 10 to 12 of the PDF) of the exhibit (Credit Suisse Financial Report 1Q17) to the Form 6-K Dated 4 May 2017 and "Operating environment" on pages 52 to 54 (pages 76 to 78 of the PDF) of the Annual Report 2016 (each as defined in the Registration Document) for information relating to the economic environment that may affect the future results of operations or financial condition of the Issuer and its consolidated subsidiaries.

7. Except as disclosed in the Form 6-K Dated 2 November 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of Credit Suisse Group on AG on pages 163 to 165 (pages 174 to 176 of the PDF) of the exhibit (Credit Suisse Financial Report 3Q17) to the Form 6-K Dated 2 November 2017, the Form 6-K Dated 28 July 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 161 to 162 (pages 177 to 178 of the PDF) of the fifth exhibit (Credit

Suisse Financial Report 2Q17) to the Form 6-K Dated 28 July 2017, in the Form 6-K Dated 4 May 2017 under the heading "Litigation" (note 30 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 155 to 156 (pages 161 to 162 of the PDF) of the exhibit (Credit Suisse Financial Report 1Q17) to the Form 6-K Dated 4 May 2017 and in the Annual Report 2016 under the heading "Litigation" (note 39 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 374 to 382 (pages 398 to 406 of the PDF)) (each of which is defined and incorporated by reference in the Registration Document), there are no, and have not been during the period of 12 months ending on the date of this Prospectus, governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on the financial position or profitability of the Issuer and its consolidated subsidiaries, and the Issuer is not aware of any such proceedings being either pending or threatened.

8. The Securities will be offered to retail investors in Italy and Spain.

9. Copies of the agency agreement and deeds of covenant of the Programme will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the following will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the Issuer or its London Branch, if applicable:

   (a) the Memorandum and Articles of Association of the Issuer;

   (b) the audited accounts and unaudited interim accounts of the Issuer for the last two years;

   (c) a copy of this Prospectus together with any supplement to this Prospectus; and

   (d) a copy of any document incorporated by reference in this Prospectus.

10. KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland, have audited the annual financial statements of the Issuer. 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.

    Further information on the Issuer's auditor may be found on page 212 (page 236 of the PDF) of the Annual Report 2016, which is attached as an exhibit to the Form 20-F Dated 24 March 2017 (each as defined in the Registration Document).

11. The Issuer's registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland and the telephone number is +41 44 333 11 11. The London branch is located at One Cabot Square, London E14 4QJ, England and the telephone number is +44 207 888 8888.

12. The Securities may be accepted for clearance through the following clearing systems (which are the entities in charge of keeping the relevant records):

    (a) Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium); and

    (b) Clearstream Banking, *société anonyme* (42 Avenue JF Kennedy, L-1855 Luxembourg).

13. If the Issuer publishes a supplement to the Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Securities, investors who have already agreed to purchase Securities before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

14. No content of any website, cited or referred to in this Prospectus, shall be deemed to form part of, or be incorporated by reference into, this Prospectus.